Association or were to receive a large part of the medical work that is referred. At that time I believe the Board of Censors—I was acting in my position as secretary of the Society—called all these facts to his attention, and it was suggested at that time that he sever his connections, and the formal charges were presented after what was considered a satisfactory period of time to correct any of these violations.

Dr. A. H. Johnston: In other words, I don't see, gentlemen, where I should be made the goat in this affair. I have just been here a short time in this town. There have been men here years and years who have been doing that for twenty or thirty years. Why you should get me up here and bring those charges against me I can't see. If you gentlemen are perfectly—you can do it; you can expel me from the Society; but if you do I am going to protest it. That is what I am here tonight for—to do.

President Brooke: Dr. Adams, have you any more questions to ask Dr. Johnston, or do you wish to reply to anything that he has said?

9042 Dr. Adams: No.

President Brooke: Does any member of the Council wish to question Dr. Johnston?

Dr. Payne: Mr. Chairman, there is one reason that has come up. Does Dr. Johnston wish to state why it is impossible to sever at once his relations that are evidently in question here?

Dr. A. H. Johnston: I can't hear you, Doctor.

Dr. Payne: Is there any reason you wish to give us why you can't at once sever your relations that are in question here? Are you under contract with them?

Dr. A. H. Johnston: Until I get some location—it is impossible to sever connections in a short time. I can't do that until I find a location to practice. You can't do that in just a month or two.

President Brooke: You came here from outside, Doctor?

Dr. A. H. Johnston: I beg pardon?

President Brooke: You came here from somewhere else?

Dr. A. H. Johnston: From Oregon City, yes.

President Brooke: How long since?

Dr. A. H. Johnston: Just a year ago.

President Brooke: Did you come with this job in mind?

Dr. A. H. Johnston: I beg pardon?

President Brooke: Did you come here with this job in mind?

Dr. A. H. Johnston: No.

President Brooke: Were you called down here to do this?

Dr. A. H. Johnston: No. I had an office up on Forty-fourth and Sandy when I first came here, and then
9043 I moved over to the Morgan Building with Dr. Rose. The Prudential Hospital Association asked me to do some of this work for them and paid me, and that is how I got in with them. I had an office at Forty-fourth and Sandy after I moved here just about a year ago.

President Brooke: You realize, of course, it would be impossible to prefer charges that are of the kind preferred against you against all the men at one meeting? You realize it would be impossible to do that, don't you? We would have to have someone to start in with.

Dr. A. H. Johnston: Well, I am the goat.

President Brooke: It seems your name came out of the hat the first time, and that same defense you have made could be made by anyone.

Dr. A. H. Johnston: There are men who have been doing it in this town for twenty years; and, not only that, but have stock in the associations. They have been here for twenty years and belong to this Society. You know that as well as I do.

President Brooke: Yes. Dr. Steagall is a good illustration.

Dr. A. H. Johnston: But that is neither here nor there. You gentlemen have a right, if you want to, to expel me from the Society, but if you do it on that charges, that I am associated with the Prudential Hospital Association, I don't think you can make it stick.

Dr. Adams: Of course, the time these informal charges were preferred Dr. Johnston was shown this particular folder which the Prudential Hospital Association is distributing from door to door. It is entitled "No more doctor bills".

9044 Dr. A. H. Johnston: I told the Board of Censors I wasn't in favor of anything like that, but that is nothing that concerns me. I have nothing to do with their policy.

Dr. Adams: It includes such things as prescriptions, medicine, iron injections, ambulance service, violet ray treatments, ultra-violet ray treatments, infra-red treatments, sunlight treatments, certain dental work, optometric service, osteopathic service, chiropractic service, X-ray

service, maternity service, legal service and consultation by competent attorney.

Dr. A. H. Johnston: Those things have nothing to do with me whatsoever, gentlemen. You can't say that they have.

Dr. Adams: The advertising is extremely misleading throughout, and the advertising and their synopsis of benefits are not in accord with each other. Their advertising promises a great many things that their synopsis of benefits that they later publish strikes out. It is included in the advertising but not in their actual synopsis of benefits. Here is a particular advertisement that came from a little magazine entitled "Commerce."

Dr. Tharaldsen: May I ask a question? Is Dr. Johnston being heard or is the president of the Hospital Association being heard? He denies that he is in any way connected with them, and if his statements are true then what has this got to do with it?

Dr. Adams: He does not deny that they are true but admits that he receives a great deal of the medical work of the Prudential Hospital Association—has already told the Board of Censors that.

Dr. Tharaldsen: Don't misunderstand me. I am
9045 not arguing the case myself. I think it is a rotten organization myself.

Dr. Adams: I beg pardon?

Dr. Tharaldsen: I think it is a rotten organization myself, but that has nothing to do with the status quo of this case, that I can see. He denies he has any connection with them, except he does some work referred to him, and he gets paid for that.

Dr. Hollenbeck: Mr. Chairman, I would like to ask a question. Is your name on the door or is it on the door of this Association?

Dr. A. H. Johnston: My name is not anywhere in connection with the Prudential Hospital Association itself.

Dr. Adams: We might read from the record of the meeting of the Board of Censors to clarify some of the questions you are asking.

Dr. A. H. Johnston: May I answer the doctor's question?

Dr. Adams: Yes.

Dr. A. H. Johnson: My name is not with the Prudential Hospital Association at all; it is on the door with other doctors' names but not on the Prudential Hospital Association's.

Dr. Lamb: Isn't your name on the door in connection with the Hospital Association staff?

Dr. A. H. Johnston: Not in connection with the name of the Prudential Hospital Association.

Dr. Lamb: It was on a few months ago.

Dr. A. H. Johnston: You can't see any Prudential Hospital Association on the door; do you?

Dr. Lamb: It was on a few months ago.

Dr. A. H. Johnston: It never was there.

Dr. Lamb: I saw it.

9046 Dr. A. H. Johnston: Well, Mr. Foley can tell you—

Mr. Foley: I think there is a difference of opinion about the subject matter. Dr Lamb's point is that your name is associated with the names of others on the Prudential Hospital Association's waiting room door. Your contention is—

Dr. A. H. Johnston: There is no Prudential Hospital Association name on my door.

Mr. Foley: On your door, but your name is on their door.

Dr. A. H. Johnston: There is no Prudential Hospital Association name on their door, is there?

Mr. Foley: That is my understanding.

Dr. A. H. Johnston: Did you see it?

Mr. Foley: I didn't see it, no, but you—

Dr. A. H. Johnston: You go and look at the door. Why put those charges in there, if you didn't see it, Mr. Foley?

Mr. Foley: I didn't put in any charges.

President Brooke: Is that the waiting room of the Association?

Dr. A. H. Johnston: The waiting room of the doctors.

President Brooke: Waiting room of the Hospital Association?

Dr. A. H. Johnston: Their name is not on the door.

President Brooke: It is their waiting room?

Dr. Adams: Let's let Mr. Coughlin make a statement.

Mr. Coughlin: Gentlemen, Dr. Johnston is correct in saying that his name does not appear on any door on which appears the name of the Prudential Hospital Association, but there is no name Prudential Hospital Association on the main waiting room of the Hospital Association. There is merely a list of doctors and Dr. Johnston's name
9047 is one of the doctors whose name appears on the door, but there is no Prudential Hospital Association name on the same door as Dr. Johnston's. Dr. King, Dr. Steagall and Dr. Johnston's names appear on the door but

not in connection with any definite statement of the Prudential Hospital Association.

Dr. Adams: Dr. Johnston, how is it your name appears there?

Dr. A. H. Johnston: And the Prudential Hospital Association's name does not appear on that door, never was. If you can tell me when it was on there I would like to know.

Mr. Coughlin: That is true, the Prudential Hospital Association is not on the door of the main waiting room of the Prudential Hospital Association. It is merely a list of doctors on that door and your name.

Dr. A. H. Johnston: Dr. Rose and my name was on my waiting room entirely separate.

Dr. Adams: It also appears on the main waiting room door, doesn't it?

Mr. Coughlin: Yes, it appears also on the door of the main waiting room of the Hospital Association.

Dr. Benson: Mr. Chairman, it appears to me important, since we are trying to get at the facts, to ascertain whether this door in question which bears the names of Dr. King, Dr. Steagall, Dr. Johnston, and other names, whether that is actually the office of the Prudential Hospital Association.

Dr. Akin: Dr. King told me it was.

Dr. Adams: Now can't we get at the facts?

President Brooke: That is the waiting room of the
9048 Prudential Hospital Association, is it not?

Dr. A. H. Johnston: They go into that waiting room, yes, but there is no Prudential sign on the door. It has the list of several doctors on the door. They have got my name on there, I don't know why; but my name is on my own waiting room.

Dr. Adams: Of course they don't use the label on the city jail "City Jail"; that is presumed. If that is the waiting room of the Prudential it is the waiting room of the Prudential whether it is printed there in large type or not.

Dr. Lamb: Don't you do the night work for the Association, Doctor?

Dr. A. H. Johnston: When they call me to make calls, yes, and I am paid for it.

Dr. Lamb: The evening I was up there you were the only one in the office and Dr. King told me you took care of their office work until eleven o'clock at night.

Dr. A. H. Johnston: I just admitted to you gentlemen I make calls whenever they call me, but they pay me for it, just like you gentlemen do in your practice.

Dr. Lamb: He said you were on the regular staff, did all the work at night. Nobody else was there but you.

Dr. A. H. Johnston: I do that work at night when they call me, yes.

President Brooke: That particular night you were there on call, then?

Dr. A. H. Johnston: No particular night. I am not on call any particular night.

9049 President Brooke: But you were just there in case some Prudential case came in you would take care of it?

Dr. A. H. Johnston: If I am at home and they call me, all right. If I am not there I don't get the calls, just like everybody practices. If they call—if I am there and they call me, and they want me to make the calls I make the calls; that is it. I am not there on call any certain night at all.

Dr. Bettman: What percentage of your income is derived from the work you get from the Hospital Association?

Dr. A. H. Johnson: I beg pardon?

Dr. Bettman: What percentage of your income is derived as a physician from that?

Dr. A. H. Johnston: Oh, I don't know, Doctor. I never figured that out.

Dr. Bettman: Just roughly?

Dr. A. H. Johnston: Oh, maybe a fourth or a fifth, somewhere around there. I never figured it up. I have my own private practice and whenever they call me to do this work I do it. I have done it. As I stated here before, as soon as I can do so I am going to sever my connection with them entirely, but I cannot do it right now until I can make different arrangements to move somewhere else.

Dr. F. P. Johnson: Are you paid by the individual case?

Dr. A. H. Johnston: Yes.

Dr. F. P. Johnson: Referred case?

Dr. A. H. Johnston: Yes, sir.

Dr. F. P. Johnson: Not in a lump sum?

9050 Dr. A. H. Johnston: Yes. I am not on any salary. If they call me to make a call I charge them for it and they pay me, just the same as any referred work you gentlemen do here. You have done it; I know you have done it.

Dr. Adams: Here is Dr. Johnston's answer to that same question in the hearing before the Board of Censors. The question was asked, "Is your name on the door with a list of other names which is the entrance to one of their offices,

referring to the Prudential Hospital Association." Dr. Johnston replied, "I believe it is on the door of their waiting room."

President Brooke: Well, that is what he said here tonight.

Dr. A. H. Johnston: I just stated it is on the same door with the other doctors' names.

President Brooke: Any other questions you wish to propound to Dr. Johnston, anyone?

Dr. Adams: I would like to know what would be a sufficient time to sever a relationship which is considered unethical by the American Medical Association and this component Society—what Dr. Johnston might consider a satisfactory time.

President Brooke: Dr. Johnston has stated that he anticipates severing his relationship. You have no time in mind; if is just indefinite?

Dr. A. H. Johnston: No, I haven't, Doctor. You can't move your office out of a building to another location just on a short notice. It can't be done.

President Brooke: You had already moved your office into this building, into the same location you are,
9051 before you connected up with the Prudential?

Dr. A. H. Johnston: Yes, sir.

President Brooke: You would not have to move, then, in order to sever your relationship with the Prudential?

Dr. A. H. Johnston: Beg pardon?

President Brooke: You would not have to move in order to sever your relationship with the Prudential?

A. No, I would not.

President Brooke: Do you want to speak any further with regard to these charges, Dr. Johnston, or have you finished?

Dr. A. H. Johnston: No.

President Brooke: We want to give you the widest latitude. If you have anything further to say, why, say it. There is no star chamber session.

Dr. A. H. Johnston: I think I have said enough. The whole thing is, I will admit that I do referred work, just as some of you gentlemen in this room have done.

Dr. Bettman: May I ask the doctor a question?

President Brooke: Surely.

Dr. Bettman: Do you know that many, if not all, of the doctors who are not directly connected with hospital asso-

ciations, are refusing to do referred work from hospital associations?

Dr. A. H. Johnston: I know some that have refused to do work for hospital associations, but they will take these cases if they come to their office with the money in their hand. If you can see any difference in that, why, just tell me. The hospital associations will give the patient the money and the money goes to the doctor, the special-
9052 ists.

President Brooke: If there are no further questions Dr. Johnston may be excused and we will call a recess.

Dr. A. H. Johnston: Do you wish me any further?

President Brooke: No. Thank you very much for coming, Doctor. I appreciate it very much.

Dr. A. H. Johnston: All right. Goodbye.

Dr. Adams: Goodbye.

(Dr. A. H. Johnston here left the room and, after a short recess, proceedings were resumed as follows:)

President Brooke: Do you wish now to consider the charges against Dr. John R. Steagall, or do you wish to read the recommendation of the Board of Censors with regard to Dr. Johnston, or do you want to consider Dr. Johnston's case?

Dr. Bettman: Doctor, before we conclude with the case, we have considered, I think, that the record should show clearly the first names of Dr. Johnston, because there are two other men in town who have similar first names and it should be very clear, I believe.

President Brooke: All right. What are the two names?

Dr. F. P. Johnson: A. Holmes Johnson is one you have in mind.

Dr. Bettman: One of the other men is A. Holmes Johnson and the other is Arthur Henry Johnson.

President Brooke: What is this one?

Dr. Rockey: Johnston, Alfred; A. H. Johnston.

President Brooke: Make it Alfred H. Johnston.

Dr. Bettman: Yes.

President Brooke: Does anybody know what H
9053 stands for?

Mr. Foley: We can get that from the record.

President Brooke: Now is there any discussion with regard to this particular case?

(Discussion by Dr. Sears.)

President Brooke: The stenographer will also please note that copies of the action of the Board of Censors in consideration of the case of Dr. Alfred H. Johnston were furnished to each one of the members of the Council, typewritten copies; and also, as a matter of completing the record, I would suggest that Mr. Foley read the balance of the communications between the Board of Censors and Dr. Johnston following the portion read by the secretary wherein the charges were outlined.

(Mr. Foley, Executive Secretary, here read the record in the case of Dr. A. H. Johnston, which is hereto attached and marked EXHIBIT A.)

(Thereupon general discussion ensued by various members of the Council.)

Dr. Payne: I make a motion to lay consideration of the charges against Dr. A. H. Johnston upon the table, due to the fact we haven't considered the charges against Dr. John R. Steagall.

(The motion was duly seconded.)

President Brooke: You have heard the motion; are you ready for the question?

Dr. Benson: Mr. Chairman, I don't believe I would use the term "lay on the table".

President Brooke: To lay on the table for a definite time is quite in order.

Dr. Benson: I would say "defer it", because there
9054 are certain rules of order as to laying things on the table, as to whether it can be brought up at the same meeting.

President Brooke: Lay on the table until a later time. That might be proper.

Dr. Adams: Defer action.

President Brooke: With the consent of Dr. Payne we will change the motion.

Dr. Payne: That is correct.

President Brooke: That action on the case of Dr. Alfred H. Johnston be deferred until the Council has had time to consider the charges lying against Dr. John R. Steagall. Are you ready for the question? (Question called for.) All in favor will say "Aye." Contrary. (No contrary votes were cast.)

Now we will recess for a moment while everybody reads the charges against Dr. John R. Steagall.

Dr. Adams: We will have to read them anyway to put them into the minutes.

President Brooke: Mr. Foley.

(Mr. Foley, Executive Secretary here read the record of the case of Dr. John R. Steagall before the Board of Censors of the Multnomah County Medical Society, Portland, Oregon, August 19, 1936, which is attached hereto and marked EXHIBIT B.)

President Brooke: The stenographer will make note, please, that the copy of the report of the Board of Censors in the case of Dr. John R. Steagall and copy of the action of the Board of Censors of the Multnomah County Medical Society in the case of Dr. John R. Steagall was fur-
9055 nished to each member of the Council here present tonight. The resolutions and recommendations of the Board of Censors are now before the Council for action. Is there any discussion?

Dr. Rockey: I would like to inquire if Dr. Steagall was requested to be present at this meeting tonight?

Mr. Foley: Yes; the regular notice was sent the doctor.

Dr. Adams: A week ago—a little better than a week ago.

Dr. Rockey: Did he respond to it in any way?

President Brooke: My impression is that he received a letter.

Mr. Foley: Yes, I will get the letter. The practice of the Board of Censors is to send, by registered mail, all notices of meetings and request a return receipt. They did not get a return receipt on the meeting of August 19th, although the answer indicated that he apparently had received the letter. In fact we got the original letter back from that hearing and I have it here. On this meeting here under date of August 26th the following letter was sent to Dr. Steagall:

"Dear Dr. Steagall: The Council of the Multnomah County Medical Society has received a communication from the Board of Censors concerning a meeting of the Board held on August 19, 1936, at which time it considered certain charges of unethical contract practices against you.

"The resolution adopted by the Board as its recommendation to the Council in regard to these charges has also been received by the Council for its consideration, together with a transcript of the evidence presented to the
9056 Board at its meeting of August 19, 1936.

"Under the by-laws of the Society, it becomes the

duty of the Council to give this matter formal consideration without unnecessary delay.

"This letter is to give you notice that a meeting of the Council will be held in the auditorium of the Medical-Dental Building on September 1, 1936, at 7:30 o'clock P. M., to give formal consideration to the charges filed against you by Dr. John C. Adams on August 3, 1936, and to the recommendation of the Board of Censors adopted at its meeting of August 19, 1936.

"At this time you will be given full opportunity to be heard.

"Very truly yours, The Council of the Multnomah Medical Society", signed by Dr. Brooke and Dr. Adams.

We did not receive a return receipt of that notice.

Dr. Adams: It has been quite obvious Dr. Steagall has been trying to evade this issue. We have called his office and each time the secretary says, "Just a moment, please", and after two or three minutes she will come back and say, "Well, Dr. Steagall is out of town." "Well, how long has he been gone?" "Well, he has been gone away for some time". And this went on four or five times. The secretary always will say, "Just a moment, please." and when you ask, "When do you expect him back?" "Well, we don't know when he will be back."

President Brooke: You can see this. He returns the notices unclaimed.

Dr. Adams: He refused to accept the correspon-
9057 dence. He knew about this letter, although he returned it as unclaimed.

Mr. Foley: The last word we had on this, Dr. Adams, was he was out of the office, he would be away until the 8th of September.

President Brooke: He answers the charges but returns the letter unclaimed.

Dr. Adams: Yes, he answered the charges in the letter but refused to accept the letter. Each time when we called him, as I say, his secretary made the same statement to us, and there would be a lapse of two or three minutes and she would come back and want to know who it is; and I called her twice myself, and I would say, "This is Dr. Adams calling". She would say, "Well, I am sorry, but Dr. Steagall is out of the office for a few days", and so forth.

(General discussion by members of the Council followed.)

President Brooke: What would you suggest would cover the situation, so far as proper summons of Dr. Steagall before this body?

Mr. Coughlin: Well, the only thing I would suggest would be to continue this hearing and instruct the secretary to give Dr. Steagall personal notice of a meeting to be held at some future definite time.

President Brooke: Should he have someone with him when he gives that notice?

Mr. Coughlin: Oh, no, no. I don't mean necessarily the secretary himself has to give that notice, but to see that the notice is personally given to him.

President Brooke: The Chair will entertain a
9058 motion to the effect that the secretary should be instructed to serve personal notice upon Dr. Steagall.

Dr. Adams: Does it matter whether it be personal or written, as long as we have adequate proof of it?

Mr. Coughlin: I mean personal in the sense it is actually delivered to Dr. Steagall.

President Brooke: Should he have to read that to him, like they read a summons?

Dr. Adams: Isn't one of these yellow slips from the Post-office Department that he has received it and signed for it, personal?

Mr. Coughlin: Yes, but he won't receive it, won't sign it.

Dr. Adams: Well, supposing I get it to him any way I see fit to get it to him?

Mr. Coughlin: So it is personally delivered to him.

President Brooke: Will someone so move, please?

Dr. Rockey: I so move.

Dr. Akin: I second the motion.

President Brooke: It is moved and seconded that the Secretary shall assume the duty of serving personally Dr. John R. Steagall with regular summons to appear before this body, and that this meeting be continued, so far as consideration of Dr. Steagall's case is concerned, until a definite time, or until the Secretary has fulfilled his function.

Dr. Akin: You have to serve him with extention to a definite time, do you not?

Dr. Adams: Yes.

President Brooke: Are you ready for the ques-
9059 tion? (Question called for.) All in favor will say "Aye". Contrary. (No contrary votes were cast.)

Dr. Boyden: He has got to set the time for this meeting.

Dr. Akin: He sets it when he serves the notice.

President Brooke: Yes. Well, we will have to allow him a little latitude on that, because he may have some very fine excuse for not appearing at a certain time, and it is a certainty he will probably do so.

All right. We have disposed of the case now of Dr. Steagall and by previous motion we now have to take up the deferred matter of disposition of the case of Dr. Alfred H. Johnston.

(Discussion.)

President Brooke: Now what action does the Council wish to take in the case of Dr. Alfred H. Johnston?

Dr. F. P. Johnson: I thought that had been deferred until we had finished with the case of Dr. Steagall.

President Brooke: We have finished with the case of Dr. Steagall.

Dr. Rockey: Not finished.

President Brooke: Well, so far as this evening is concerned.

Dr. F. P. Johnson: I move that it be deferred until we have finished with the case of Dr. Steagall.

(There was no second of the motion but further discussion ensued.)

Dr. Akin: Mr. President, was Dr. Johnson's motion to defer action in the case of Dr. Steagall seconded?

9060 Dr. F. P. Johnson: No.

Dr. Akin: I second that motion, on the advice of our counsel here that we defer action.

Dr. Mount: That was passed.

President Brooke: The counsel has made no such recommendation.

Dr. Adams: Regarding Dr. Johnston.

Dr. Akin: No, I am not talking about Johnston; I am talking about Steagall.

Dr. Mount: Steagall was deferred.

Dr. Adams: Steagall has already been deferred. Now the question is, what shall we do with Dr. Johnston, which is before us?

Dr. Rockey: Mr. Chairman, is a motion in order?

President Brooke: Yes.

Dr. Rockey: I move you that the case of Dr. Alfred H. Johnston be deferred until the meeting at which Dr. Steagall's case is taken up before the Council.

Dr. Payne: I second the motion.

President Brooke: It has been moved and seconded that the case of Dr. Alfred H. Johnston be deferred until the meeting of the Council at which the case of Dr. Steagall is to be considered.

Dr. Adams: Is that motion open to discussion?

President Brooke: Oh, yes.

(The motion was thereupon discussed by various members of the Council, after which the question was called for.)

President Brooke: All of those in favor will say "Aye".

(Chorus of "ayes".) Contrary.

9061 Dr. Mount: No.

President Brooke: Record Dr. Mount's vote "no", the rest voting "aye".

Dr. Adams: Ask Dr. Sears if there is anything else regarding the activity of the Board of Censors he has.

President Brooke: Dr. Sears, would you like to give your experience in the Board of Censors, and Dr. Benson and Dr. Mount also? In the light of the experience you have had so far have you any suggestions to make, or have you any thoughts or ideas to speed this proposition along? The wheels of progress kind of gum up and move sort of slowly, and so on. We have been gradually approaching the goal, but we have been thinking for months we were approaching something or other. Have you any thoughts on this matter that might help, or any ideas you can suggest to make things hop along a little bit faster, or do we have to just grind along at this rate?

Dr. Sears: In view of the report of the last meeting, the minutes of which have been read, we have decided upon an official prosecuting body and a body for the developing of evidence. The only thing I would suggest is that that body be urged to function, and to see that that body is properly appointed and carries on their functions.

President Brooke: That is an elective body. That body was elected at that Council meeting, as the minutes show. It consisted of Drs. Karl Martzloff, Dr. Kiehle and Dr. Dick Adams.

(At this point a recess was taken, during which informal discussion was had, and at the conclusion of the
9062 recess, upon motion by Dr. Bettman, the meeting was adjourned until Wednesday, September 16, 1936, 7:30 o'clock P. M.)

Plaintiff's Exhibit 1949

9063 BEFORE THE COUNCIL OF THE OREGON STATE MEDICAL SOCIETY

In the matter of the appeal from the action of the Council of the Multnomah County Medical Society in expelling from membership DR. JOHN R. STEAGALL and DR. A. H. JOHNSTON) TRANSCRIPT

(COPY)

W. J. Looker, Reporter,
503 Court House,
Portland, Oregon.

9064 BEFORE THE COUNCIL OF THE OREGON STATE MEDICAL SOCIETY.

In the matter of the appeal from the action of the Council of the Multnomah County Medical Society in expelling from membership DR. JOHN R. Steagall and Dr. A. H. Johnston) TRANSCRIPT

The above entitled matter came regularly on for hearing before the Council of the Oregon State Medical Society at the Auditorium of the Medical-Dental Building, Portland, Oregon, on Saturday, November 7, 1936, at the hour of 7:30 o'clock P. M.

The following officers were present:

Dr. Charles E. Sears, First Vice President;
Dr. Charles T. Sweeney, President-elect;
Dr. J. C. Vandevert, Second Vice President;
Dr. W. W. Baum, Third Vice President;
Dr. W. F. Hollenbeck, Treasurer;
Dr. Morris L. Bridgeman, Secretary;
Dr. Blair Holcomb, Councilor;
Dr. Karl H. Martzloff, Councilor;
Dr. Guy L. Boyden, Councilor;
Dr. O. C. Hagmeier, Councilor;
Dr. Charles E. Hunt, Councilor;
Dr. J. C. Hayes, Councilor;
Dr. E. D. Lamb, Councilor;
Dr. Thompson Coberth, Councilor;

Dr. L. S. Kent, Councilor;
Dr. John H. Fitzgibbon, Delegate to A. M. A.

APPEARANCES:

Dr. John R. Steagel and Dr. A. H. Johnston each appeared in his own behalf, in person.

PROCEEDINGS:

Chairman Sears: The meeting is hereby called to order. Members of the Council of the State Medical Society, the matter in hand this evening is the appeal of the
9065 cases of Dr. John R. Steagel and Dr. A. H. Johnston, who have appealed from findings of the Council of the Multnomah County Medical Society. In order to bring the matter to a proper head, we will ask that the record of this meeting be read to you. Dr. Steagel is here and Dr. Johnston is here.

Executive Secretary Clyde C. Foley: We have here copies of the proceedings before the Board of Censors. As a part of the record, I might read for your information the provisions of the By-Laws of the Multnomah County Medical Society which deal with the question of discipline.

(Thereupon, the Executive Secretary read the provisions of Sections 6 and 7 of Chapter I of the By-laws of the Multnomah County Medical Society.)

(Proceedings were then had in the case of Dr. John R. Steagel.)

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Chairman Sears: We will proceed with the case of Dr. Johnston. Mr. Foley.

Executive Secretary Foley: I might be able to present the preliminaries in this particular case somewhat more briefly by omitting the excerpts of the by-laws of the procedure which were previously read and also by making the statement that the by-laws,—the record shows that the by-laws were carried out with regard to the preliminary investigation and conciliatory meeting, and due notice with regard to the filing of charges, and all the other
9066 details that were dealt with in the other case. So we can probably proceed with such reference as you care to make to the proceedings before the Board of Censors in the case of Dr. Johnston, and proceed from that to a consideration of the proceedings of the Council acting upon

the recommendation from the Board of Censors, as you find it in the mimeographed copies now before you.

Dr. Fitzgibbon: Mr. Chairman, would it be in keeping with the proper procedure to cover the points only in which Dr. Johnston's case differs from that of Dr. Steagel? Would that be proper?

Chairman Sears: I think it would be proper in case Dr. Johnston gives his consent. Dr. Johnston, there are a number of matters, as you probably heard, involved in the proceedings, concerning the operations of the Prudential Hospital Association.

Dr. Johnston: Yes.

Chairman Sears: Would it be agreeable to forego the reading of those and go rather directly to your involvement?

Dr. Johnston: Absolutely, doctor. The shorter, the better.

Executive Secretary Foley: What follows are pertinent excerpts relating to a consideration of the case of Dr. Johnston at a meeting held on September 1st, 1936, at 7:30 P. M., at which time the following members of the Multnomah County Council were present:

(Executive Secretary Foley reads from transcript.)

9067 Executive Secretary Foley: We now pass to the pertinent matter relating to the case of Dr. Johnston.

(Executive Secretary Foley reads from transcript.)

Executive Secretary Foley: That completes all the pertinent parts of the meeting of the Council considering the case of Dr. Johnston under date of September 1st, 1936. The Council met under date of September 16th, 1936, at 7:30 o'clock, P. M., with the following Council members present:

(Executive Secretary Foley reads from transcript.)

Executive Secretary Foley: In the following, I am taking up the case of Dr. Johnston as deferred in the meeting of September 1st.

(Executive Secretary Foley reads from transcript.)

Executive Secretary Foley: Subsequent to this action by the Council of the Multnomah County Medical Society, the notice of their action was transmitted to the Secretary

of the Oregon State Medical Society in the following communication:

(The Executive Secretary read a communication addressed to Dr. M. L. Bridgeman, Secretary of the Oregon State Medical Society stating the action taken by the Council of the Multnomah County Medical Society in regard to Dr. Johnston.)

Executive Secretary Foley: Dr. Johnston, under date of October 14th was appraised of this action and a
9068 notice of this hearing, as follows:

(Executive Secretary Foley read a communication under date of October 14, 1936, from Dr. M. L. Bridgeman, Secretary of the Council of the Oregon State Medical Society to Dr. A. H. Johnston.)

Executive Secretary Foley: That concludes the record.
Chairman Sears: Dr. Johnston, will you tell us the points on which you base your appeal, and add thereto any further comments that you wish?

Dr. Johnston: Well, I am here to protest the action of the Multnomah County Medical Society in expelling me, because I think it is a very unjust action, for the following reasons: First, the first charge that was on the paper was that I was associated with the Prudential Hospital Association. If you mean by "association" that I did work for them, maybe that's true. The second charge you made was that the Prudential Hospital Association and myself were engaged in the contract practice of medicine. Well, I cannot see where I am engaged in any contract practice of medicine or any affiliation with the Prudential association. In other words, I cannot see where you can connect me with the Prudential at all. I fail to see it, gentlemen. I fail to see it. The charge that I was associated and engaged in the contract practice of medicine and indirectly soliciting and advertising,—I have nothing to do with that at all, any more than a lot of you gentlemen who do referred work for other hospital associations and the Multnomah
9069 Hospital Association. I have done work for the Multnomah, and so have you gentlemen here in this room. I came here just a year ago. It seems to me I am the youngest member of this society that has been expelled for that reason. There are men who have been doing that work for twenty years here in this town, and are still doing it. It seems to me I am principally the goat in this case. I can see where you have charges against the hospital

association. I am not sticking up for any hospital association at all, but I do object to getting linked with the hospital association and saying I am engaged in the contract practice of medicine and that I am soliciting business or doing advertising, because I am not. I can't see where I am. I came here a year ago. The Prudential Hospital Association asked me if I would do some work for them. Well, at the same time, I was doing work for the Multnomah; so were others of you gentlemen here in this room today. They offered to pay me for it; why wouldn't I take it? I was here to get a practice,—work up a practice. I was a complete stranger here in town; had just been here a short time; and that is the way it is today. I have been here just over a year. It seems to me that you gentlemen, after you get out of the Multnomah Hospital Association, go right away and jump onto the youngest member of this society and kick him out because he did some referred work for a hospital association. I can't see it, gentlemen. I think it is a pretty raw deal, and I am willing to answer
9070 any questions you gentlemen have to ask me. It is true I have done referred work for them. It is true, just as that paper says,—I have got my own office. My name is on the door. My name is on the other door, but there is no Prudential Hospital Association name connected with my name at all. Of course it is true I don't believe in advertising or soliciting or contracting work, but kicking me out of the medical society won't correct the hospital associations. I am just trying to make a living. The last few years I have had financial reverses. Maybe you fellows didn't have any, but I doubt if some of you didn't too, and I planned to establish a practice here. I took some of the referred work, gentlemen, I am not denying it. I am here to defend it. I am paid for it, but I do not countenance any of their acts. I have nothing to do with the hospital association. I don't own any stock. I am not paid any salary. I have no interest whatsoever in the hospital association. In fact, I wish there weren't any, as far as I am concerned. It is a fact I have done some referred work,—done some work they sent me and they paid me for, and just about like other doctors here and about two thousand doctors in the State of Oregon are doing work for hospital associations, and getting paid for it too. That's all I have to say, gentlemen. If there are any questions I would be glad to answer them.

Chairman Sears: Have the members any questions?

Dr. Martzloff: Dr. Johnston, in taking the re-
9071 ferred work of the Prudential Hospital Association, do you take this work in the nature of a specialist or consultant?

Dr. Johnston: Everything, just general practice. Gentlemen, I am here to tell you that the work I do, the calls that I make, the outside calls and the calls I make in my office, I give these people the same care I do my private patients.

Dr. Lamb: Just two questions. The first is: You are still doing their referred work?

Dr. Johnston: Yes, sir.

Dr. Lamb: The second is: Is the door of the reception room—which is admittedly, although not published by being placed on the door—admittedly the reception room of the Prudential Hospital Association?

Dr. Johnston: My waiting room is not the reception room of the Prudential. It is for my patients only.

Dr. Lamb: Is your name on their reception room, or the reception room which is known as the Prudential Association?

Dr. Johnston: My name is on the other reception room door, but it is also on my own door.

Dr. Lamb: It is put on their door with your consent?

Dr. Johnston: No, they put it on there in the first place. They never asked me about it at all.

Dr. Lamb: You mean to say then,—

Dr. Johnston: I didn't tell them to take it off.

Dr. Lamb: You mean to say a man has a right to put your name on his reception room if he wants to,
9072 without your consent?

Dr. Johnston: Well, legally you are right.

Dr. Lamb: Wouldn't that be an admission on your part of an association with them?

Dr. Johnston: It might mean it. It might not.

Dr. Lamb: I wouldn't think it might not.

Dr. Johnston: Well, there are some names on that door that the doctors are not even there. There are names on the door that the doctors are not even up in that building, and not even doing any work for them. What do you think about that?

Dr. Lamb: I would say it is false advertising.

Dr. Johnston: Well, maybe so.

Dr. Holcomb: Two questions, Dr. Johnston. Dr. Johnston, do you keep a record of the calls and examinations you make for the Prudential Association?

Dr. Johnston: Oh yes.

Dr. Holcomb: Do you have a record of those?

Dr. Johnston: I do.

Dr. Holcomb: Which you can submit as evidence of the fact you are not paid a salary, but are paid only for those calls you make?

Dr. Johnston: Yes, I am paid for every call I make.

Dr. Holcomb: Do you have,—you have proof of that?

Dr. Johnston: Beg pardon?

Dr. Holcomb: Proof? You can submit the records?

Dr. Johnston: Well, the checks that they pay me every month are different. You mean for the bills, or for
9073 which?

Dr. Holcomb: You have a record in your office of the charges you make for the patients to the Prudential Association?

Dr. Johnston: Absolutely; I can show them to anybody that comes to my office.

Dr. Holcomb: The second question is: You say about one-fifth of your work is with the association?

Dr. Johnston: Approximately. One-fifth, or one-fourth, —something like that.

Dr. Holcomb: Was it your intention to resign from the association, doctor?

Dr. Johnston: Beg pardon?

Dr. Holcomb: Was it your intention to resign from your particular association there?

Dr. Johnston: Later, yes. I don't intend to stay with the hospital associations.

Dr. Holcomb: Could you resign now?

Dr. Johnston: It is impossible for me to get out in a short time. It is impossible for me to sever my connections with any hospital association until I can see my way clear.

Dr. Hagmeier: I would like to ask Dr. Johnston a question. These cases that are referred to you, Dr. Johnston, are they referred to you by the manager of the association, or does the nurse sitting right in this common waiting room direct the patients to come to you?

Dr. Johnston: The nurse brings them into my office,— my waiting room.

9074 Dr. Hagmeier: In other words then, the referring is not done by the head of the company; it is in the hands of a superordinary, is that true?

Dr. Johnston: Well, it may be. It may be from both,— anyone.

Dr. Coberth: Dr. Johnston, you know I have known you a long time.

Dr. Johnston: Yes.

Dr. Coberth: Probably longer than any man in the room.

Dr. Fitzgibbon: No, I have known him longer.

Dr. Corbeth: We wont argue about that. I will ask you a question. Do you pay your own office rent?

Dr. Johnston: No, I don't.

Dr. Coberth: Who pays it?

Dr. Johnston: They pay it.

Dr. Coberth: All right.

Dr. Johnston: Yes, they pay it for the work that I do in the office.

Chairman Sears: Dr. Johnston, your answer to one of our questions, whether you intended to sever your work with the Prudential, you answered and stated that,—you said, "In the near future, and as soon as practicable," and this is written on your own letterhead giving the address in the Morgan Building, and you gave as your telephone number, "Beacon 7227," which is the only telephone number which you give on your letterhead. Isn't that the same telephone number as the Prudential Hospital Association?

Dr. Johnston: That is the first one. When I first
9075 went there, the 'phone was in that office. It took some time to get my own 'phone in, and I have consequently used their number. I have an extension from their office.

Dr. Lamb: You haven't changed it yet?

Dr. Johnston: I have my own 'phone now.

Dr. Lamb: What?

Dr. Johnston: I have my own phone now, yes.

Chairman Sears: What was the date, do you remember, of our first communication with you,—the approximate date?

Dr. Johnston: Of which?

Chairman Sears: Of our first communication with you.

Dr. Johnston: No I don't, doctor.

Chairman Sears: Have you that date, Mr. Foley?

Executive Secretary Foley: Yes, I think so.

Dr. Lamb: March the 14th.

Executive Secretary Foley: Dr. Johnston first discussed with the Board of Censors the matter of this contract practice March 11th, 1936.

Chairman Sears: He received his notification some ten days before that, I know.

Executive Secretary Foley: A week or ten days, yes.

Chairman Sears: Somewhere about the end of February.

Dr. Martzloff: Dr. Johnston, do you have an office nurse in your office?

Dr. Johnston: No, I have no office nurse.

9076 Dr. Martzloff: The girl that acts as your waiting room receptionist is employed by the Prudential Hospital Association, is she?

Dr. Johnston: That's right.

Dr. Martzloff: And does this receptionist take it upon herself to send patients to you if they come to see Dr. Steagel and he isn't there, you will see them for him; is that it?

Dr. Johnston: It is possible she does. She brings them in.

Dr. Martzloff: She doesn't have to telephone Dr. Steagel before she brings them to you, to get his permission to have you see them?

Dr. Johnston: I don't know that.

Dr. Hunt: Doctor, where did you practice before coming here?

Dr. Johnston: Oregon City.

Dr. Hunt: For how long?

Dr. Johnston: Three years.

Dr. Hunt: Four?

Dr. Johnston: Three.

Dr. Hunt: Fourteen?

Dr. Johnston: Three.

Dr. Hunt: Where before that?

Dr. Johnston: Heppner.

Dr. Hunt: How long there?

Dr. Johnston: I was there about ten years. Dr. Coberth knew me at Arlington when I was there.

Dr. Fitzgibbon: In the letter of April 29th, in which you stated your intention to sever your connection with the Prudential, you didn't give any particular date as

9077 to when you intended to do that.

Dr. Johnston: I can't. It is indefinite.

Dr. Fitzgibbon: It is now indefinite too?

Dr. Johnston: It is indefinite, yes.

Dr. Martzloff: May I ask another question Dr. Johnston? Dr. Johnston, you, I think, stated earlier in the evening that you felt the accusation that stipulated your association with the Prudential Hospital Association was an unfair accusation in view of the fact that you were not connected in any way,—do you still feel that accusation is unfair?

Dr. Johnston: I didn't get that last.

Dr. Martzloff: Do you still feel that the assertion that has been made of the charges against you that you are associated with the Prudential Hospital Association,—do you feel that assertion is unfair?

Dr. Johnston: I said the assertion,—the contract practice charge, in which you say the association and myself are in the contract practice, and you indirectly say I am in advertising. How can you say I am in that?

Dr. Martzloff: You just said the hospital association paid your office rent.

Dr. Johnston: It doesn't make any difference whether they pay it or I pay it.

Dr. Martzloff: And the office girl in your common room is employed by the association.

Dr. Johnston: She doesn't do any work for me.

9078 Dr. Martzloff: She is your receptionist, is she not?

Dr. Johnston: She brings patients in there.

Dr. Martzloff: Does she answer telephone calls for you?

Dr. Johnston: No. No, I have a private telephone. I can't see where you can say I am engaged in the contract practice, or engaged in advertising, even though I do work for the hospital association. I can't see it. As soon as I possibly can, I told the Council of the Multnomah Society I was going to get out of the association work, but I can't do it at the present time. Gentlemen, if you are going to do it to me, you are going to do it to a few hundred more in the town, and all over the state. I am telling you right now you can't stop now, if you do that to me. You will have to take everybody that does hospital association work. You will have to go to Oregon City. All the doctors in Oregon City have to do it to make a living, because the mills are all contracted now. How can you go down to Oregon City and kick those men out of the medical society? I can't see it, gentlemen. I can't see it. You interfere with a man making his living if you do, and a man has got a right to live. Those men in Oregon City,—eighty per cent of their work is contract work, and you gentlemen know it. If you can get rid of the hospital associations, do it, but it can't be done this way.

Dr. Hayes: Can you give us a definition of how we can get rid of the hospital associations?

Dr. Johnston: That's not my problem. You have

9079 started something now, and it's up to you. Any other questions, Mr. Chairman?

Chairman Sears: Any further questions? If not, we will excuse you, doctor.

Dr. Johnston: All right, thank you.

Chairman Sears: Many thanks. Anyone wish to make a motion that we go into executive session? It is moved and seconded. All in favor respond with the usual affirmative aye. Contrary, no. It is so carried, and we will proceed.

Dr. Fitzgibbon: I move that Dr. O'Dell be permitted to remain in the room.

Chairman Sears: I don't think it will be necessary to move. I will so rule, that Dr. O'Dell be permitted to remain in the room.

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Chairman Sears: Is there a motion now concerning Dr. Johnston?

Dr. Blair Holcomb: I move that we proceed to a consideration of the charges against Dr. Johnston.

Dr. Bridgeman: I second the motion.

Chairman Sears: It is moved and seconded that we now proceed to a consideration of the charges against Dr. Johnston. All in favor respond by the usual affirmative aye. Contrary, no. It is so carried, and we will proceed.

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Dr. Blair Holcomb: I move that the action of the
9080 Council of the Multnomah County Medical Society in expelling Dr. Johnston be sustained by this Council of the Oregon State Medical Society.

Dr. Chas. T. Sweeney: I second the motion.

Chairman Sears: Any discussion? All in favor of this motion respond with the usual affirmative aye. Contrary, no. It is carried unanimously and so spread upon the minutes.

Dr. Hagmeier: I move we adjourn.

(The motion was seconded.)

Chairman Sears: It is moved and seconded that we adjourn. All in favor respond with the usual affirmative aye. The motion is carried. The meeting is declared adjourned.

(The meeting was adjourned at the hour of 10:45 o'clock P. M., on the 7th day of November, 1936.)

Plaintiff's Exhibit 1950

9081 April 23, 1936

Dr. A. E. King
Morgan Building
Portland, Oregon

Dear Dr. King:

The Board of Censors has before it your application for membership and will give consideration to the same at its meeting to be held in the auditorium of the Medical-Dental Building 833 S. W. 11th Avenue, on the 1st day of May at 9:00 o'clock P.M.

In connection with its consideration of your application, the Board suggests that you attend this meeting.

Very truly yours,

MULTNOMAH COUNTY MEDICAL SOCIETY

by .....
Chairman, Board of Censors

9082 *Case of Alfred E. King*

1. Are you associated with the Prudential Hospital Association?
2. Is this hospital association organized as a corporation?
3. Who are the stockholders and how much stock does each own?
4. Who are the officers of this association?
5. What physicians perform services for the association?
6. How are these physicians compensated?
7. What lay persons are employed by the association?
8. What are the duties and compensation of these employees?
9. What employees, if any, are paid on a commission basis?
10. What specialists, if any, are employed by the association?

10 a. On what basis are these specialists paid for their services?

11. What osteopaths, optometrists, and chiropractors, if any, employed by the association?

12. What lawyers, if any, are employed to service subscribers of the association?

12 a. To what hospitals are subscribers taken?

12 b. What does the association pay the hospitals for accommodations and services?

13. What registration and monthly membership fees are the subscribers charged?

14. What methods are used to obtain subscribers?

15. What types of advertising are used to publicize the association?

16. Does the association sign a contract with each subscriber?

17. Does the association make contracts with employers for the benefit of their employees?

18. Who pays the association under such contracts and how is the money collected?

19. Does the association take subscribers in any particular income classes?

20. Does the association take only subscribers who are employed on a wage or salary basis?

9083 21. Does the association take housewives and children as subscribers?

22. What disorders are cared for under the association's agreement with subscribers?

23. Under what arrangements are disorders not covered by the contract cared for?

Plaintiff's Exhibit 1951

9084 December 5, 1936

To Multnomah County Medical Society:

Gentlemen:

I believe in the state plan to provide medical and hospital services for groups of citizens who might not otherwise obtain such services. You have taken a position against all doctors who are willing to join in providing services along the lines approved by the public policy of the state of Oregon. The differences between us are fundamental. Therefore I tender my resignation from your Society, effective immediately.

Very truly yours,

(Signed) J. D. LEONARD

Plaintiff's Exhibit 1952

9085 February 13, 1940

Dr. Charles R. McClure
Selling Building
Portland, Oregon

Dear Dr. McClure:

The Multnomah County Medical Society has received information which appears to indicate that the contract practice engaged in by you in connection with some hospital associations is conducted in a manner which is in violation of the Principles of Medical Ethics of the American Medical Association.

It is felt that an investigation of this matter should be made, for the good of all concerned.

At a meeting of the Board of Censors to be held in the auditorium of the Medical-Dental Building on Tuesday, February 20, 1940, at 8:00 P.M., the Board will make an investigation of this matter. This letter is to give you notice of the meeting and an opportunity to be heard.

No formal charges have been preferred. The investigation at this meeting will be informal and will be conducted in accordance with Paragraph 1 of Subsection D of Section 7 of Chapter I of the by-laws of the Society which reads as follows:

"The Board of Censors shall make a preliminary examination into the merits of any case, and make kindly efforts in the interest of peace, conciliation and reformation. The accused shall be given an opportunity to be present before a meeting of the Board of Censors and an opportunity to be heard in his own defense. The accuser should also be given an opportunity to be present, where feasible. A member or members of the Grievance Committee of the Society, or other such committee, may also be present."

Very truly yours,

MULTNOMAH COUNTY MEDICAL SOCIETY

by .....

Chairman, Board of Censors

9086

DR. CHARLES R. McCLURE
PHYSICIAN AND SURGEON
1109-1112 SELLING BUILDING
PORTLAND, OREGON

Feb. 17, 1940.

Dr. Charles E. Sears,
Chairman, Board of Censors,
Multnomah County Medical Society,
Portland, Ore.

Dear Sirs:—

I wish to acknowledge receipt of your letter of Feb. 13, 1940. Contents noted.

I resent the bald statement made in your opening paragraph "that the contract practice engaged in by you in connection with some hospital associations"; such is not true and never has been true; and I challenge and defy anyone to prove such a statement; no arrangement, agreement, understanding, verbal or implied or written, has ever been entered into between any hospital association and myself; a contract necessarily implies a contract of some kind and I again defy any of your informants to produce any scintilla of evidence even suggesting any kind of a contract governing my relations to any hospital association.

That I have accepted cases referred by physicians connected with hospital associations is true and I am not ashamed of this; such work has been accepted and done in the routine of practice on the same basis as whether re-

ferred by an attorney, corporation, insurance company, compensation commission or by a reputable physician, each service on a fee basis and absolutely with no understanding as to the amount of fee as is required by compensation commissions, life insurance companies or the Multnomah Medical Service Bureau, etc; never have I had a fee for a service rendered questioned or cut and usually they have been in excess of those in the fee schedules of the above concerns.

That I have never questioned the so-called ethics of this small part of my practice is evidence by the prevalence of similar work by other high grade consultants and specialists. Being proud of my professional career and without an iota of guilty conscience I will be happy to face my accuser and not only defy him in his nasty charges but stack up and compare my professional work and career, public, private, institutional and otherwise with him.

9087 It is disparaging to be called on the carpet on such a formal proceeding and which to my way of thinking could well have been done or handled in a much more diplomatic or friendly manner had your Board of Censors placed the least scintilla of confidence in any un-ethical conduct an my part.

Owing to a previous engagement I will not be able to meet with you on Tuesday, February 20, 1940, at 8:00 P.M. When my accuser with his proof is ready to face me please let me know and we will get together.

Very truly yours,

(Signed) CHAS. R. MCCLURE
Chas. R. McClure

CRM/L

9088 May 24, 1940

Dr. Charles R. McClure
Selling Building
Portland, Oregon

Dear Dr. McClure:

The Board of Censors received your letter of May 6th in which you indicated that you would be unable to attend the meeting of the Board on May 7th to discuss your relationship with contract practice, as you were leaving for California shortly.

In your letter, you stated that "I can see no good reason for a formal conciliatory meeting of any kind and I hope you will show me the respect of dropping this matter".

You further referred to letter of February 17th in which you admitted that you accept cases referred by physicians connected with certain hospital associations, but that you had "no arrangement, agreement, understanding, verbal or implied or written, between any hospital association" and yourself. You also stated that you cared for patients referred by physicians connected with hospital associations on a fee basis, with no understanding as to the amount of the fee, and that you never had had a fee questioned or cut, and that the fees you received have usually been in excess of the compensation commissions, insurance companies, and other organizations.

The Board of Censors desires to point out that when a member of the Society performs services for an organization engaged in unethical practices, he is responsible in the same way as if he violates the Principles of Medical Ethics personally, irrespective of whether he has any formal or implied agreement with such an organization, or whether he receives from it fees which are larger than he might ordinarily obtain. The point is that such a member is benefitting personally from the solicitation, advertising, or other unethical practices of the organization in question and is permitting a direct profit to accrue to the organization from his services, in violation of the Principles of Medical Ethics, which the member agreed to abide by when he applied for and was admitted to membership in the Society.

The Board of Censors will give further consideration to the matter of your contract practice at a meeting to be held at 9:00 P.M., on Tuesday, June 4, 1940, in the auditorium of the Medical-Dental Building. This meeting will be a conciliatory meeting. The Board requests that you be present. If you do not appear, the Board will be forced to conclude that you have no further desire to discuss or conciliate the matter of your contract practice and there will be no other recourse than to file formal charges against you.

Very truly yours,

MULTNOMAH COUNTY MEDICAL SOCIETY

by .....

Chairman, Board of Censors

DR. CHARLES R. McCLURE
PHYSICIAN AND SURGEON
1109-1112 SELLING BUILDING
PORTLAND, OREGON

June 12, 1940.

Dr. Charles E. Sears,
Chairman, Board of Censors,
Multnomah County Medical Society,
Portland, Ore.

Dear Sirs:—

On the evening of June 4th I met with your committee, this in keeping with your request; a frank and open discussion disclosed your attitude and my response to same.

My letter of Feb. 17th was a full complete statement of my relations to any so-called contract practice and which in my opinion does not and should not come under the category of contract practice.

Inasmuch as admissions of type and kind done is in your opinion and interpretation contrary to the tenets of the society and that a continuation of it would be at the price of membership in the society there was nothing left for me to do but submit to your dictates and rulings; I told you that I prized my membership more than the small amount of such work I was doing and that therefore I would agree to discontinue further work of the nature. The bulk of such work done involves a professional and friendly relation to such an extent that there was a natural hesitancy in discontinuing it so long as I know and you know that other specialists are still doing what I was doing; thus the injustice and unfairness of being put on the spot without a dead-line for all.

In keeping with your dictum this is formal declaration of my intention to abide by the rules as you interpret them.

Respectfully yours,

(Signed) CHAS. R. McCLURE
Chas. R. McClure

CRM/L

Plaintiff's Exhibit 1953

9089 April 26, 1938

Dr. John W. McCollom
Selling Building
Portland, Oregon

Dear Dr. McCollom:

Some time ago you were asked to attend a conciliatory meeting of the Board of Censors of the Multnomah County Medical Society to discuss certain features of your connection with the contract practice of medicine.

The Board of Censors believes that such conciliatory meetings accomplish a great deal, notably in securing the opinion of the members of our Society on their relationship to contract practice.

At this meeting, you indicated that you were at least considering withdrawing from any connection with unethical contract practice. We have heard nothing further from you concerning any decision you might have made.

The Board of Censors will hold another conciliatory meeting on April 29th, 1938, at 8:00 P.M. in the auditorium of the Medical-Dental Building.

Will you please be present at this meeting, and be prepared to discuss a definite decision as to your future relationship with contract practice? The Board considers it of the utmost importance that you be prepared to express a definite decision as to this matter.

Very truly yours,

MULTNOMAH COUNTY MEDICAL SOCIETY

by .....
Chairman, Board of Censors

9090

JOHN W. McCOLLOM, M.D.
PHYSICIAN AND SURGEON
EYE, EAR, NOSE AND THROAT
1008 SELLING BUILDING
PORTLAND, OREGON

April 29, 1938.

Multnomah County Medical Society,
Portland, Oregon.

Dear Sirs:

In reply to your letter received April 26th would say that I am sorry that I have a previous engagement which will not permit my attending your meeting tonight but I think I can give you the information you want by letter. Which is that I have notified the National Hospital Association that I must decline to see any new cases for them.

Trusting this will be satisfactory, I am,

Sincerely yours,

(Signed) J. W. McCOLLOM
J. W. McCollom, M.D.

JWMcC/JH

Plaintiff's Exhibit 1954

9091

DR. J. ARCH STEWART
DR. G. H. OSTRANDER
EYE, EAR, NOSE AND THROAT
412 OREGONIAN BUILDING
PORTLAND, OREGON

PHYSICIAN AND SURGEON

April 4, 1938.

To The Board of Censors of The Multnomah County Medical Society

Inasmuch, because of a misunderstanding of what is meant by the term "Contract Practice" as it applies to our dealings with the National Hospital Association, it appears that we have infringed upon the Code of Ethics of The American Medical Association, we wish to state that we have no desire to violate the Code and we are willing to

abide by the request of the Board that we do no more work for the above mentioned Hospital Association.

(Signed) J. Arch Stewart

(Signed) G. H. Ostrander

Plaintiff's Exhibit 1955

9092

PAUL T. NEELY, M.D.
PHYSICIAN AND SURGEON
601 Medical Arts Building
Portland, Oregon

March 22, 1938.

Dr. Charles E. Sears
Medical Arts Bldg.,
Portland, Oregon.

Dear Doctor Sears:—

In accordance with our talk at lunch, I am writing you as was indicated that day.

At the outset I want to say that I heartily approve of your efforts and endeavors to raise the practice of medicine to a high level of ethics.

My position in this matter has been at all times as I explained to you. It would seem to me that one sure way of correcting this exil in a very short time would be to prepare a petition, rule, or statement and present it to the man doing special work in the different fields, setting forth their willingness to cease doing work for any of the unethical, or any of the named organizations at some specified time or date. By approval with their signature there would be no further question as to their relations with or towards such organizations. In making this statement I am in no way attempting to advise you as to procedures, but this appears to me to be a certain and quick way to know the feelings and actions of all the men in the different specialties in the practice of medicine.

Now as to my personal action, as I agreed with you I am going to definitely cease doing any of this work on or before June 1st, 1938. This you can be absolutely assured will be done in so far as I am concerned.

Again thanking you for the most pleasant conversation with you at the lunch time, and assuring you that I am with you in this matter, I am,

Sincerely,

(Signed) PAUL T. NEELY, M.D.

PTN:E

Plaintiff's Exhibit 1956

9093 BEFORE THE BOARD OF CENSORS AND GRIEVANCE COMMITTEE

of the

MULTNOMAH COUNTY MEDICAL ASSOCIATION

EXCERPTS OF HEARING, BEING STATEMENTS MADE BY DR. MILLETT DURING COURSE OF DISCUSSION

May 13th, 1938

******

Dr. Millett: I probably started to work for the Industrial Hospital Association about the time that the Multnomah Medical Society decided to go into the hospital association business and sent a representative, a high pressure salesman to my office to try to sell me the hospital association idea.

******

Do you think that any patients come to me because they have to? There is no patient comes to my office that don't want to come. If they do, if I hear a word of it, they are out, absolutely out.*****

Well, I want to know where I stand. You have asked me to come before, and I couldn't come every time, and I have come tonight. I want to get what information I can. I want to do the right thing, but I can't see why, as a medical man who doesn't do any surgery work, here is a case injured here in a certain way that I am not able to take care of, my case, and I send my bill to the company the same as a man who sends his bill to the State Industrial.*****

I want it thoroughly understood that I have investigated

from a legal standpoint and know that they are lo-
9094 cally owned, and that can be backed up in Court*****

Well, maybe you don't know the Multnomah Health Association got out a pamphlet something like this, because I can produce them if necessary, along in January, which caused all this dissension down there. You see the Industrial had these contracts down in Clackamas County, and the Multnomah was fighting hard to get them. Maybe some of you saw the pamphlet the Multnomah put out. I will try to get hold of one. I read it myself. The Multnomah got it out, or the Association, or the physicians which are right with them in Clackamas County, and that was the reason they got out this in answer to these questions. *****

You gentlemen have given it thought before, but I do know that one of the most vicious pieces of literature regarding medical affairs was put out. I notice your stenographer is taking down everything I say. I know what made me Industrial Hospital minded at all was when certain representatives supposed to be backing the Multnomah County Medical Society sent their high pressure salesman to call on me, or called me on the phone, and various other ones, wanting me to join a hospital association, that they were forming. That was the first thing that even led me into any thought about hospital associations. Then when we were becoming hospital minded, I naturally looking around and seeing what is going on, and the Industrial Hospital Association seemed so far ahead, head and shoulders above everything else in extensiveness of their staff, in payment of their doctors, in their contracts and everything else, that that is the reason why I have done some work for
them when they have sent it to me. Now, that is my
9095 statement that I wish to make. I don't want to argue blindly. Whatever you gentlemen want to accuse me of I will try to answer those accusations, but I want you to understand why I have done this work. I don't know how much it means to me. It is a small part of my work, I will admit that, a very small part. It is not a question of whether I do it. I could put a sign on my door not allowing anybody to come. I have no contracts, I have no agreements in any way with the Hospital Association, with Dr. Moore, or with anybody else. They send me certain patients for diagnosis, or certain types of cases. I examine those patients, and if they tell me to treat them, or just want a

diagnosis, I send back a diagnosis. If they tell me to take care of that patient, I take care of that patient.*****

I would like to know to what extent you intend to carry on this work. By that, I mean do you really mean to clean up the thing, clean up the medical profession, or do you mean to work on a few? By that I mean, right here you have a list of a few doctors working for the Industrial. You said it was very much limited, and I told you in addition to that there had been some two hundred fifty or more paid in a month. In a great deal of work, take the railroad work, you didn't ask me about that, there is something where the man doesn't have a free choice. I happen to be a consultant for one of the railroads. There is a place where they don't have a free choice. Are you going ahead to clean up all of this situation, or are you going to just pick on a few little points here? What I want to know is where I am going to stand in the future, I don't want to go against medical ethics. How about our insurance companies? You know I have examined for maybe one or
9096 two, possibly you do, possibly somebody else does. If I want an insurance examination can I go to somebody I want? They say "no, you go to Dr. Lamb." "No, I don't want to go to Dr. Lamb, I want to go to Dr. Gambee." "Dr. Gambee is not our examiner." Are you going to clean this thing up, throw the thing wide open and let the public know what we are doing, or just pick on a few?

Here is an organization that has put their cards on the table, they have changed from a lay-owned organization. Those people have raised their contracts to a standard where they can serve their people, where other outfits, like the Multnomah, has gone out and underbit them, offered to take contracts for $1.75 where they have had them for $2.00, and even at that couldn't put it over many times because the men felt they were getting a service that they needed. How are you going to supply this need for these men in these organizations? They can't pay for X-ray plates, hospital bills, and so on, without working out some system where they pay it on a small income basis. What are you going to do with those people?

****

To me, with the amount of publicity that you have been getting, and with the attitude the Society has taken the last two years, with talking with individuals on the outside and answering questions of men in business, executives, directors, etc., around through the state, the Multnomah

Society and the State Society are whirling along in such a way and spreading plenty of flame to fan the fire of social medicine that is already getting under way, and I feel that all of this that we are going through now is only just fanning that flame a little more to the people on the outside. Very nearly every day patients who are
9097 not industrial people but are private patients with responsibilities say, "What are you people going to do, what is all this argument about?" In our high schools they are studying the subject now, debating it. My daughter in Grant High School has worked up a file of literature, as have all the members of their class, on social medicine, whether it is the thing or not the thing, who it is going to benefit, etc, and all of this agitation we are going through is just helping us along and we are all going to be thrown into social medicine if we don't do something to get cooperation in some way and satisfy the people, and my idea in serving what little I have done for the Industrial Hospital Association is taking care of a few people there, and I think those people are satisfied. If they are not, as I said before, I don't want any patient in my office that doesn't want me, and I feel that those patients that I have taken care of are satisfied with the type of work they are getting, and if you are going to throw the hospital associations out entirely who is going to take care of these people.*** As I say, I wasn't hospital association minded in any way until this agitation started here two or three or four years ago, and then when they tried to put over such high pressure salesmanship to sell it to me it really satisfied me, but I have been thinking about it ever since. I don't believe you can find a record in the last year, at least, where the Industrial Hospital Association has tried to underbid any kind of a contract. In addition to that, these men vote whether or not they want this or don't want it. It is not crammed down their throats. The contracts are not made with the executives of the companies. They are made by a vote of the men. It is a Democratic affair entirely, it is not a cut-throat affair, but some of the other associations have started in some unethical work.

9098 I want to know from you whether you are picking on just the Industrial Hospital Association or whether you are going to clean up medicine, or just picking on a group that happens to be doing it in that way. Have you any assurance you can give me that tomorrow night or the next night you are going to clean up the rest of medicine?

I have thought about this work considerably, and I have tried to see where I was taking any patients away from somebody else that those patients would probably go to.**

I want to think it over, because our questions, and your questions here tonight, and the thoughts that you have brought out to me make me feel a little bit more opposed to what the Society is doing than I even had before I came up here. I am sorry to say that, because you have as much as told me that you were selecting a few, and that you gave me no promise of cleaning up the rest of medicine. Of course I realize it probably isn't in your committee to do that. You said you had had many, many questions come up. If you are just selecting a few like this and let the rest of medicine go on, let the rest of our contracts go on that are going on, why—

Dr. Payne: Was that your statement, or ours?

Dr. Millett: It was my question and you didn't answer it. You didn't tell me whether or not it was the object of the medical society definitely that they were going to go on and clean up all contract work in any matter of solicitation directly or indirectly. This young gentleman here, the attorney, I don't know him, stated that the statutes of the state covered something. Well, it certainly can cover it in another line of the same character. If the statutes of
9099 the state allow solicitation in the State Industrial Accident Commission, why, they certainly can allow it in other forms of contract work. I want to know just how broad the local society is, how broad they are going after this thing and whether they are going to go after it in such a way as they have started out, whether or not they are going to clean up the other hospital associations and then say, "Here, Multnomah, the field is clear. Go out and contract for $1.25 a month, take all the patients you want, the field is clear." Or just what is the object of this? That is what I wanted to know in the beginning. I am willing to do my part, but I am not willing to say I am going to jump out here and let the rest of them jump in. I am arguing tonight mainly for the principle of this thing.*****

Really the main thing which you are questioning me about tonight is whether or not I am going to drop the hospital work, hospital association work or not drop it. By that you mean that I am pledging myself to stop any kind of work excepting my private work, let everything else go, is that the idea?

Dr. Payne: No, if it is ethical—

Dr. Millett: I don't know what ethics means, to let a man come to you or go to somebody else who will turn around and say, "Here, you go and see that patient", send a doctor out. Is that ethical? It is being done by every one of us, everyone of us nearly do that, and possibly I do. Now, if that is ethical I don't know what is ethical. Here is an organization that is trying to do the honest thing in meeting your requirements and has a large group of doctors. ***No hospital association or any kind of insurance medicine, according to your idea could be ethical in any
9100 way.*****

The point of it is in this committee, if what the Society is aiming to do is to put possibly one hospital association out of business, or two out of business, and allow another one to go on, then, on, my position immediately would be that I am not in favor of what the medical society is doing. If the Medical Society is actually going to go in and clean up this thing, shows me that they are cleaning it up, making it entirely an ethical proposition, allowing none of their members to do any type of hospital association work or work of that type, I am for it, but as I say, I had no hospital association in mind at all until the Medical Society took me into it.****Of course that is getting away from what you have asked me. You have put it point blank to me, am I going to continue to do industrial work, or am I going to take industrial patients, or am I going to resign from the Society. I wouldn't care to say "Yes, I pledge myself to do no more industrial work", and then your Society turn around and approve some outfit and I have already made an agreement not ever to do any more industrial work.***In my own mind I don't feel that it is unethical. The only doubt that I have is the question that I have always belonged to the Society, and I belong to several other Societies, and I have belonged to some of the National Societies and I have tried to do as near as I know ethical practice all the way through. Just as you said a little while ago, I happen to be the goat, being contacted in this thing the way I was. It is a question whether I want to be a goat a little longer or what I want to do. I would like time to think that over before I make a decision. (Doctor Millett retires from the hearing room.)

Plaintiff's Exhibit 1957

9101

May 20, 1938

Dr. Harry E. Shoot
Selling Building
Portland, Oregon

Dear Dr. Shoot:

Under date of May 7, 1938, the Board of Censors informed you of a meeting to be held on May 13, 1938, to make a preliminary investigation of the contract practice engaged in by you in connection with the National Hospital Association.

The Board received no response to this letter and you did not appear at the meeting. In view of your absence, the Board postponed consideration of this matter.

This letter is to notify you that the Board will consider this matter at a meeting to be held in the auditorium of the Medical-Dental Building on Friday, May 27th, 1938, at 8:30 o'clock P.M. This letter is to give you notice of this meeting and another opportunity to be heard.

Very truly yours,

MULTNOMAH COUNTY MEDICAL SOCIETY

by .....
Chairman, Board of Censors

Plaintiff's Exhibit 1958

9102

March 23, 1938

Dr. John Besson
Mayer Building
Portland, Oregon

Dear Dr. Besson:

The Multnomah County Medical Society has received information which appears to indicate that the contract practice engaged in by you in connection with the Industrial Hospital Association is conducted in a manner which is in violation of the Principles of Medical Ethics in the American Medical Association.

It is felt that an investigation of this matter should be made, for the good of all concerned.

At a meeting of the Board of Censors to be held in the auditorium of the Medical-Dental Building on Friday, April 1st, 1938, at 9:15 P.M., the Board will make an investigation of this matter. This letter is to give you notice of the meeting and an opportunity to be heard.

No formal charges have been preferred. The investigation at this meeting will be informal and will be conducted in accordance with Section 7 of Chapter I of the By Laws of the Society which reads as follows:

> Conciliation. Kindly efforts in the interest of peace, conciliation or reformation, so far as possible or expedient, shall precede the filing of formal charges affecting the character or standing of a member, and it shall be the duty of the Board of Censors to promote this end by making a preliminary examination into the merits of the case, and the accused shall be given opportunity to be heard in his own defense, in all trials and proceedings of this nature.

Very truly yours,

MULTNOMAH COUNTY MEDICAL SOCIETY

by .....
Chairman, Board of Censors

9103 JOHN BESSON, M. D.
P. E. HALE, M. D.
L. S. BESSON, M. D.

DRS. BESSON, HALE & BESSON
SUITE 309 MAYER BUILDING
TWELFTH AND MORRISON STS.
PORTLAND, OREGON

March 26, 1938.

Charles E. Sears, M.D.,
Chairman Board of Censors
Multnomah County Medical Society,
Portland, Oregon.

Dear Doctor Sears,

Your notice of the meeting of the Board of Censors to be held on the evening of April 1st is at hand. My brother

tells me he also has such a notice from you. It will give us pleasure to be with you on that occasion and to discuss the problem of Hospital Associations.

Very truly,

(Signed) JOHN BESSON

9104 May 7, 1938

Dr. John Besson
Mayer Building
Portland, Oregon

Dear Dr. Besson:

Some time ago you were asked to attend a conciliatory meeting of the Board of Censors of the Multnomah County Medical Society, to discuss certain features of your connection with the contract practice of medicine.

The Board of Censors believes that such conciliatory meetings accomplish a great deal, notably in securing the opinion of the members of our Society on their relationship to contract practice.

At this meeting, you indicated that you were at least considering withdrawing from any connection with unethical contract practice. We have heard nothing further from you concerning any decision you might have made.

The Board of Censors will hold another conciliatory meeting on Friday, May 13th, 1938 at 8:15 P.M. in the auditorium of the Medical-Dental Building.

Will you please be present at this meeting, and be prepared to express a definite decision as to your future relationship with contract practice? The Board considers it of the utmost importance that you be prepared to express a definite decision as to this matter.

Very truly yours,

MULTNOMAH COUNTY MEDICAL SOCIETY

by .....
Chairman, Board of Censors

9105 July 18, 1938

Dr. John Besson
Mayer Building
Portland, Oregon

Dear Dr. Besson:

On two occasions during the last several months you have indicated to me that you intended to sever your connections with the Industrial Hospital Association. I suppose that pressure of your practice has prevented you from officially notifying the Grievance Committee or the Board of Censors of the consummation of that intention.

We shall greatly appreciate it if you will notify the Grievance Committee or the Board of Censors (Dr. Charles E. Sears, Chairman) in writing of the fact that you have severed such connections, or of your intention to do so by a definite date.

Very truly yours,

MULTNOMAH COUNTY MEDICAL SOCIETY

by .....
Chairman, Grievance Committee

9106 JOHN BESSON, M. D.
P. E. HALE, M. D.
L. S. BESSON, M. D.

DRS. BESSON, HALE & BESSON
SUITE 309 MAYER BUILDING
TWELFTH AND MORRISON STS.
PORTLAND, OREGON

July 19, 1938.

Stanley Lamb, M.D.,
Medical Arts Bldg.,
Portland, Oregon

Dear Dr. Lamb,

This is to notify you that my brother and I resigned from the Industrial Hospital Association on May 23, 1938.

Very truly,

(Signed) JOHN BESSON

Plaintiff's Exhibit 1959

9107 July 25, 1938.

Dr. Clarence W. Smith
610 Stevens Building
Portland, Oregon

Dear Dr. Smith:

A copy of a "Proposal of Clarence W. Smith, M.D.—Medical" dated June 29, 1938, has come to the attention of the Grievance Committee. This proposal is in connection with a letter written by the Davenport Insurance Agency to the Multnomah County Employees.

The proposal appears to violate the Principles of Medical Ethics of the American Medical Association regarding advertising, solicitation, and prevention of free choice of physicians.

Will you please write to the Grievance Committee giving an explanation of this apparent violation of the Principles of Medical Ethics?

Very truly yours,

MULTNOMAH COUNTY MEDICAL SOCIETY

by .....
Chairman, Grievance Committee

9108 Meeting of Board of Censors of Multnomah County Medical Society Friday, Sept. 23rd 7:30 P.M. Aud. of M-D Bldg.—

Send post card notices to following:

Dr. Charles E. Sears
Dr. Clarence W. Smith, Stevens Building
Dr. Roy A. Payne
Dr. Karl H. Martzloff
Mr. John J. Coughlin, Public Service Building
Dr. Stanley Lamb
Dr. E. E. Gambee
Dr. Roger Holcomb

Notices to be sent in name of Charles E. Sears
Chairman

Plaintiff's Exhibit 1960

9109 DAVENPORT INSURANCE AGENCY

Representing

CONTINENTAL ASSURANCE COMPANY

TO ALL MULTNOMAH COUNTY EMPLOYEES:—

You are handed herewith a copy of a proposal for non-occupational Accident & Health, Hospitalization and Life protection that is being submitted to the Multnomah County Employees Association for adoption.

This plan, you will observe, embodies essential benefits only—those payable for *any* injury (except occupational), *any* sickness and *any* death, and eliminates the "frills" that increase the cost but are seldom applicable. We quoted $3.00 per day Hospitalization because it can be contracted for at that price. However, we are prepared to quote $4.00 or $5.00 per day if desired. Surgical fees were omitted also, because a physician and surgeon can give complete service for less than we would have to charge. For that reason we attach a proposal by Dr. Clarence W. Smith, M.D., which is self-explanatory.

Be reminded that we are not sponsoring Dr. Smith (he requires none) nor does he sponsor us. There is no connection between us other than that he serves the Brotherhood of Portland Electrical Power Company Employees who have adopted the Continental Assurance on a similar plan. While searching for a practical plan for your association we naturally thought of Dr. Smith, who is highly recommended by the P.E.P. group.

NOTE! This plan is designed to accept all employees under 70 years of age, *regardless of their physical condition*, thus eliminating the possibility of questions as to whether an ailment was contracted before or after the contract went into effect. That is why 75% membership participation is required.

Other combinations are available so long as the case is maintained in proper balance, i.e., if weekly indemnity is placed on a salary percentage basis all members in each bracket must carry the same amount of protection.

An exact rate cannot be quoted until the ages of all members and the percentage of males and females participat-

ing are determined. Based upon 516 ages, now available, it would appear that the rates estimated in the attached proposal are ample if not slightly above what the final figures will be.

Cordially,

DAVENPORT INSURANCE AGENCY

By (Signed) C. HULSE

Plaintiff's Exhibit 1961

9110 GROUP LIFE, NON-OCCUPATIONAL ACCIDENT, HEALTH AND HOSPITALIZATION PROPOSAL PREPARED FOR CONSIDERATION OF MULTNOMAH COUNTY EMPLOYEES ASSOCIATION

Benefits	Description	Monthly Premium
$ 15.00	Weekly indemnity, for 13 weeks, for loss of time caused by non-occupational injury, payable from first day, or illness, payable from the 4th day, while taking treatment from a licensed physician	$ 1.20
	(Members between 60 and 70 years of age limited to 13 weeks benefits in one year.)	
	(Members over 70 not eligible.)	
$ 3.00	Per day while confined in a hospital under a physician's care, $200.00 limit, plus $15.00 hospital fees, except X-Ray	.50
$ 500.00	For loss of life from any cause	.75
	(In event of total permanent disability before age 60 the premium is waived and the $500.00 paid to insured in monthly installments.)	
	Total premium	$ 2.45
	X Premium for the $500.00 for loss of life estimated on the basis of 286 names and ages available. The complete list might alter this figure slightly either way.	

Establishment of this plan requires participation of 75% of the members under 70 years of age.

If final results reveal more than ten percent female participants, a small adjustment will become necessary.

The life part may be carried after retirement if desired.

Occupational accident coverage may be had by adding 22 cents to the total monthly premium.

DAVENPORT INSURANCE AGENCY
Representing Continental Assurance Co.,

By (Signed) C. HULSE

PROPOSAL OF CLARENCE W. SMITH, M.D.—
MEDICAL
610 Stevens Bldg.

Multnomah County Employees,
Portland, Oregon June 29, 1938

Gentlemen:—

In my recent conversation with Mr. Hulse, he asked me to quote the cost of medical and surgical service including medicines to be furnished the employees of Multnomah County, similar to my plan adopted by the Brotherhood of Portland Electric Power Company.

I will furnish for non-occupational medical and surgical services including medicines, within the general practice of medicine and surgery, with the exception of the medicines needed in the hospital for the sum of fifty cents per month per member.

This method of furnishing my services and medicines to the Brotherhood in the past several years has been found to be very satisfactory.

Very truly yours,

(Signed) CLARENCE W. SMITH
Clarence W. Smith, M.D.

CS:mk

Plaintiff's Exhibit 1962

9111 BEFORE THE BOARD OF CENSORS
OF THE
MULTNOMAH COUNTY MEDICAL SOCIETY

In Re:
Dr. Paul Spangler)
Dr. Frank Boyden)

Meeting Held December 15, 1936

ROSCOE F. HUNT
Official Reporter—Notary Public
304 Court House Phone ATwater 5221
Portland, Oregon

9112 BEFORE THE BOARD OF CENSORS
OF THE
MULTNOMAH COUNTY MEDICAL SOCIETY

In Re:
Dr. Paul Spangler)
Dr. Frank Boyden)

A meeting of the Board of Censors of the Multnomah County Medical Society was held in the Italian Room of the Campbell Court Hotel, Portland, Oregon, Tuesday, December 15, 1936, at 7:00 o'clock p.m.

Present; Dr. Chas. E. Sears, Chairman,
Dr. Robert L. Benson,
Dr. Frank R. Mount,
constituting the Board of Censors.

Dr. John C. Adams, Secretary of the Society,
Clyde C. Foley, Executive Secretary.

Dr. Richard B. Adams,
Dr. Karl H. Martzloff,
of the Grievance Committee.

There were also present in the room Dr. Paul Spangler and Dr. Frank Boyden.

(Thereupon, the following proceedings were had, in part, as follows:)

Dr. Sears: We will call the meeting to order. The first order of business will be to read the letter which was written to the gentlemen who are with us tonight (referring to Dr. Spangler and Dr. Boyden).

9113 (Thereupon Dr. Richard B. Adams read to the Board copy of a letter which had been sent to each of the two doctors referred to, notifying them of informal investigation of their relationship with The Pumphrey Co., to be held that evening, December 15, 1936.)

Dr. Sears: There being no formal charges entered against Dr. Spangler and Dr. Boyden, I am going to suggest that the Grievance Committee might have some questions to ask.

Dr. Benson: Mr. Chairman, may I suggest that the members of the Grievance Committee read both names and state that the letters are identical?

Dr. Richard Adams: The letters of notification of this meeting to Dr. Spangler and Dr. Boyden are identical. I have just read the letter to Dr. Spangler, and believe it will be unnecessary, if the Board agrees, to read the letter to Dr. Boyden. Dr. Boyden and Dr. Spangler, you are both here, and if it is agreeable with you, will it be possible, with your permission, to ask questions of both of you, on the understanding that if either one of you as an individual disagrees with the answer or finds that the question does not cover his particular situation, you should speak up and correct us on that point.

Dr. Boyden: That is satisfactory.

Dr. Spangler: That is okeh.

(Thereupon Dr. Martzloff explained to Drs. Boyden and Spangler the purpose of the informal meeting as a conciliatory meeting, and the function of the Grievance Committee in receiving and investigating com-
9114 plaints. Drs. Martzloff and Richard B. Adams thereupon proceeded with informal questioning of the two doctors under investigation, their relationship with the Pumphrey Company, and the manner of doing business as conducted by that company. After a somewhat detailed answer of questions by both doctors, the following proceedings were had:)

Dr. Sears: Well, I think we have covered the ground. We have to get to another meeting. This particular meeting, as you know, is a question only of general information,

discussion, and explanation, and you are familiar with the code of ethics and the possible discrepancies in contract practice with the code of ethics. Now, if it becomes necessary for the Grievance Committee to file charges, would you rather proceed along the lines of defense, or would you be inclined to accept the,—you might say the mandate, of the Society and the code of ethics of the North American Medical Association, in severing yourselves from this institution at a reasonably opportune time, rather than to proceed with the matter and have it come up and have definite charges filed or go to the Council itself, because the Board of Censors has to in one manner or another accomplish it. You see, the Board of Censors are required by the mandate of the Society to proceed with any matter that comes up before them. The Board of Censors are required to report to the Council one of three conclusions: First, that the charges are not sustained in any form;
Second, That the individual be suspended for a defin-
9115 ite length of time; Third, they recommend their expulsion.

Dr. Martzloff: Pardon me, another one is that they can be censured.

Dr. Sears: Yes, which by virtue of its nature is not much different than that they merely report to the Council. It does not apply in the sense of anything else that goes to the Council as a recommendation of the censors. Now, there are certain things you have stated which have to do with the fact that there has not been a free choice of doctors, and there has been solicitation. That might have to be gone into further, as to whether there are any discrepancies. I am simply assuming that that would require charges by the Grievance Committee, and the Board of Censors, of course, naturally tries to lean backward to be fair and kind to their associates, but there are certain duties that are not only implied, but obligatory to the Board of Censors. If the Board of Censors felt that the charges were sustained, even one of them, if there was a definite charge sustained, it would be their duty to either suggest the suspension until the individual obviates the charge or recommend expulsion, which naturally we are very loathe to do.

Dr. Spangler: Well, I will speak for myself, and Dr. Boyden can speak for himself. As far as I am concerned, I don't care to engage in any controversy with the Society, and if it comes to a point of choosing between the Pum-

phrey Company and membership in the Society,
9116 my mind is made up that I will leave the Pumphrey Company. I would like to have, if it were possible to make the Pumphrey Company fall in line, if such a thing is possible, if there are ways it could be worked out, I would like to see that. On the other hand, I have had under consideration and I have been making plans for sometime which haven't yet materialized, due to certain things that don't matter here, of leaving anyway, and so that is my feeling on the thing. I am not going to be kicked out of the Society. I had hoped that this other thing would materialize before anything else might be done.

Dr. Sears: I might say this, this is what the future foretells,—this is not in the line of suggestion or advice, but we know from the attiude of some of the hospital associations, and it has been implied, that in getting contracts there has been a great deal of what is called dirty work, and it has also been stated positively that there is going to be dirtier work go on in the future, in order not only to get contracts, but to hold the contracts that they have. And there has been threat of cutting rates, wherein all of these people who are holding contracts are going to have to resort to a more extensive use of soliciting and rate cutting than they have in the past. That has been stated very positively by members of hospital associations. Furthermore, there is also the implied threat of the labor unions that they are going to take
part in the thing, and they are not satisfied with the
9117 general arrangements of hospital associations, and they are going to enter the field in some manner to try to either eliminate or control hospital associations. You can take this for what it is worth. These are the facts as they have been presented to us regarding the future of hospital associations, so that we can see no manner in which a hospital association can exist without resorting to more subterfuge and more violations of the code of ethics than they have in the past, it is not conceivable that they can carry on without doing so.

Dr. Boyden: Doctor, anything we say, we are not antagonistic,—I am not, and I know Dr. Spangler is not, —to your Committee or to the Society. I want to say in justice to Mr. Pumphrey that I don't think there has, since I have been there, been any so-called dirty work or any cutting fees or cutting down. He has his contracts, he is a very businesslike chap, and if they don't want it,

they can leave it, that is my impression of Pumphrey. As far as the—

Dr. Sears: (Interrupting) Don't misunderstand me—

Dr. Boyden: No, no. As far as your question to us, if we would abide by your decision, I am sure that within reason we both want to. That depends somewhat upon how soon you want us to get out of our position, and that sort of thing. In my position, I have talked it over, I got into this after we had been in the Coffey Clinic, and after discussing with leading men of your Society, men who are now working with you,—

Dr. Benson: May I interrupt you, Doctor? I
9118 told them very explicitly, Dr. Boyden, about my conversation with you.

Dr. Boyden: Yes, I mean before I went in with the Pumphrey Company, I got the advice of men that I respected, men that you respect, and they said, "Of course, go ahead, it is perfectly legitimate, because they are all doing it," and so forth. And at that time I considered it perfectly ethical. I don't consider I am doing anything now that is not ethical, unless you interpret belonging to the association. As far as our work is concerned, I don't think any man has ever,—not giving myself a chromo, —but has ever stuck closer to medical ethics than I have tried to do. Now, I have taken the position, in order to help myself, to be candid about it, my salary, and that sort of thing, my expenses, and my losses, I have to build up my practice. My son is coming, he has finally decided, he thinks he will, and when he comes it has been my intention to go wth him, so we are already planning on, not far in the future, both of us, I think, taking up our private practice.

Dr. Sears: There seems to be a general misunderstanding about the use of the word "ethics". There are any number of men who are doing contract work, wherein the work that they are actually doing is of a very high ethical order, probably their standards are just as high as they are in private practice. Unfortunately, the tie-up with an organization whereby lay individuals do certain things necessarily ties that to the practices that is going on, the

the method of obtaining patients, the question as
9119 to methods of the organization itself in its doing business, and the free choice of physician, and so this simply ties in, unfortunately, the men who are doing professional work ethically, as far as professional prac-

tice is concerned, with mechanism which the American Medical Association has declared is unethical by virtue of its association with a lay organization.

Dr. Boyden: Well, it may have been considered unethical, Doctor, probably it has been considered so, but nothing has been done about it for a great many years. As long as I have lived in Oregon, I have come in contact with that work. I have never done any of it. Isn't that true?

Dr. Sears: That is true. It is true this has gone on many years, but the unfortunate part of it is that in recent years there has been such a growth, and it has led through competition, so that it wasn't the original principle, because the American Medical Association itself declares that it is not per se hostile to contract practice. It is the methods that have come through competition.

Dr. Boyden: This is not said in an argumentative way, Doctor, but some of us feel that perhaps the Society is not going at the thing in the proper way. That is only an opinion, of course, I can't say. Of course this has nothing to do with us admitting that we are ethical, belonging to the Society, but how are you going to stop, for instance, the Pumphrey Company? The moment we go out, there is no question but what he can get doctors, and
9120 you have no way, no legal way of preventing him from getting doctors, whether they belong,—they can't belong to the Society, but I am sure within twenty-four hours that he can get doctors. I believe that is true, and I believe it is true perhaps in other organizations. It seems to me that that we could get them all, your specialists, all that take retainers, if you could throw them out and in that way cripple their organizations, you might get somewhere, but it is going to be very difficult to pick men here and there in the organization itself and cripple the organization.

(Thereupon some informal discussion was had on the subject.)

Dr. Martzloff: Those are the technical points, you see, on which the Grievance Committee will have to prefer its charges, and we would much prefer not to do so, that is all, it is an embarrassing thing.

Dr. Boyden: I will be very candid, the very fact that you had decided to do that makes me want to get out of that work, and we are planning to get out.

Dr. Martzloff: We have not decided to do that, you

see we have an alternative. I mean it is a thing that is forced upon us, that is all, it is not a personal issue at all, it is a fundamental problem, and it is one which leaves no choice, that is all.

Dr. Benson: And I think I could add to that that the duties that have been forced upon us as regards
9121 our colleagues in the practice of medicine have been entirely unpleasant to us and unwelcome to us, all of them. It has all been an unpleasant duty that has been forced upon us.

Dr. Boyden: We understand that. I understand that, Doctor, and I know, I can understand your position.

Dr. Sears: We might add also, from the standpoint of your professional relationships with your company, you are freer from any objections than any hospital association that we know of, therefore it is our desire especially to try to have some form of conciliation worked out. The question is,—both of you rather implied that you would be willing to leave the organization within a reasonable period of time. Could either one of you set the date which would be reasonable, that is the question?

Dr. Boyden: It may not be reasonable. I don't want to bring in family affairs, but my son happens to be coming here and then we are planning, if he does come, he hasn't decided entirely to come, he is offered a position there, but he wants to come, and then we will prepare offices. I didn't want to go out and prepare the offices that i would need with him until he would come, and he doesn't come until he is through there the 1st of July. I can't prepare before that time. As I told the doctor, he said he told you that that was my wish and we had already planned on, at least the last few months since this started, to do that.

Dr. Sears: It is not necessary, I don't think it is necessary to go into great detail. It has to do simply
9122 with you men in a general way. You may have a certain date on which you might not want to state your reasons why, in connection with your relationships with the man for whom you are working, may have your contract. The point is, I am using the word "reasonable" as a certain time in which you can do that and not destroy a moral contract or obligation. That is, the Society could not extend the thing over too many months, but could you set a date on which such a thing could be worked out eventually without destroying your moral obligation. Remember also, I want to say this, that in connection with

the Board of Censors, this is not like some duties of the Board of Censors, that involve moral turpitude, because this does not involve that, it is quite a different thing. Suppose that you gentlemen give the dates, sometime next summer, or what not, it would be necessary to satisfy the situation to say, to suggest that you be suspended for that time, to that date.

Dr. Boyden: You say we be suspended to that time?

Dr. Sears: I say suppose it was, would that interfere with your particular relations—

Dr. Boyden: Yes, it would, I wouldn't want to be suspended.

Dr. Sears: In other words, you would rather withdraw than consider that as a serious charge.

Dr. Boyden: Well—

Dr. Spangler: Yes, I wouldn't care to be sus-
9123 pended.

Dr. Boyden: Naturally, Doctor, we don't want to be suspended, and we don't want any controversy about it. I think this, if you can,—you have got a lot to do, as I understand, and I think if you can be as fair to all of them as to Paul and I, I don't think you will have much trouble in settling the thing. I don't want to say tonight just when I could get out. There are things that I don't want to talk about that are difficult.

Dr. Sears: It isn't necessary.

Dr. Boyden: And I would prefer not to get out until the 1st of July, and I give you that date.

Dr. Sears: Is there any date that you could suggest (addressing Dr. Spangler)?

Dr. Spangler: Well, if the Board of Censors would be willing to give us until the first of July, if we would agree to get out on or before the 1st of July, I would like to settle it that way, if it could be settled without a suspension.

Dr. Mount: That is, let the matter rest in abeyance until the 1st of July?

Dr. Spangler: Yes.

Dr. Sears: Would you be willing to give us a letter, each one of you, stating that you will sever your connection with the organization a certain time in July?

Dr. Boyden: I will.

Dr. Spangler: I will.

Dr. Sears: Very well, then the meeting is adjourned.

(Proceedings concluded.)

Plaintiff's Exhibit 1963

9124 Bus. Phone AT. 2171

RICHARD F. BERG, M. D., F. A. C. S.

Bone and Joint Surgery

Electric Building
Portland, Oregon

February 25, 1938

Dr. Charles E. Sears
Chairman of the Board of Censors
City and County Medical Society
Medical Arts Building
Portland, Oregon

Dear Dr. Sears:

After our discussion of recent date, I have fully made up my mind that the best course for me to follow would be the one outlined by your committee.

In the future, therefore, I will confine myself to the ethical practice of medicine, as outlined by the American Medical Association, and will avoid association with lay managed and organized hospital associations.

Very truly yours,

(Signed) Richard F. Berg
Richard F. Berg, M.D.

RFB:ML

Plaintiff's Exhibit 1964

9125 June 13, 1940

Dr. Ben I. Phillips
7313 N. Leavitt
Portland, Oregon

Dear Dr. Phillips:

The Board of Censors of the Multnomah County Medical Society has received information which indicates that the medical practice engaged in by you in connection with certain hospital associations violates the Principles of Medical Ethics of the American Medical Association.

The Board of Censors feels that an investigation of this matter should be made for the good of all concerned.

The Board hereby invites you to an informal conciliatory meeting to discuss this matter. The meeting will be held in the auditorium of the Medical-Dental Building, at 8:30 P.M., on Tuesday, June 18, 1940.

No formal charges have been filed against you. This meeting is called pursuant to the by-laws of the Multnomah County Medical Society which read, in part, as follows:

> "The Board of Censors shall make a preliminary examination into the merits of any case, and make kindly efforts in the interest of peace, conciliation, and reformation. . . "

Will you kindly arrange to be present at this meeting?

Very truly yours,

MULTNOMAH COUNTY MEDICAL SOCIETY

by .....
Chairman, Board of Censors

9126 6/18/40

Phillips

Renders bills, pd. by National,—renders reports—admits it bad (Illegible) that have drs. employed

Dr. Swarts
appears to be.

Dr. (Illegible)

Plaintiff's Exhibit 1965

9127 March 4, 1936

Dr. W. C. Reiner
5015 S. E. Hawthorne Boulevard
Portland, Oregon

Dear Dr. Reiner:

The Multnomah County Medical Society has received information which appears to indicate that the contract practice engaged in by you in connection with the Prudential Hospital Association is conducted in a manner which

is in violation of the Principles of Medical Ethics of the American Medical Association.

It is felt that an investigation of this matter should be made, for the good of all concerned.

At a meeting of the Board of Censors to be held in the auditorium of the Medical-Dental Building on the 11th day of March 1936, at 8:30 o'clock P.M., the Board will make an investigation of this matter. This letter is to give you notice of the meeting and an opportunity to be heard.

No formal charges have been preferred. The investigation at this meeting will be informal and will be conducted in accordance with Section 7 of Chapter I of the By Laws of the Society which reads as follows:

> Conciliation. Kindly efforts in the interest of peace, conciliation or reformation, so far as possible or expedient, shall precede the filing of formal charges affecting the character or standing of a member, and it is shall be the duty of the Board of Censors to promote this end by making a preliminary examination into the merits of the case, and the accused shall be given opportunity to be heard in his own defense, in all trials and proceedings of this nature.

Very truly yours,

MULTNOMAH COUNTY MEDICAL SOCIETY

by .....
Secretary

9128 March 14, 1936

Dr. W. C. Reiner
5015 S. E. Hawthorne Boulevard
Portland, Oregon

Dear Dr. Reiner:

At the meeting of the Board of Censors, held in the Auditorium of the Medical-Dental Building on March 11th, the Board inferred from your statements that you desire to discontinue your present association with contract practice and henceforth conduct yourself in conformity to the Principles of Medical Ethics.

The Board of Censors desires a definite statement from you concerning any action you may take or plans you may

have regarding this matter. The Board desires this information before its next monthly meeting.

The Board appreciates your appearance at the informal meeting on March 11th and your attitude during this conference.

Very truly yours,

MULTNOMAH COUNTY MEDICAL SOCIETY

by .....

Chairman, Board of Censors

9129 OFFICE PHONE: TABOR 9904 RESIDENCE TABOR 3182

DR. W. C. REINER

PHYSICIAN AND SURGEON

5043 S.E. HAWTHORNE BLVD.
PORTLAND, OREGON

March 18, 1936

Multnomah County Medical Society
Portland, Oregon.

Gentlemen:

Your letter of March 14 is at hand, and I wish to state that I think your cause a very just one. I am heartly in favor of your plan. I have confidence that you will apply the same measures to other members who are in any way associated, or rendering consultations or specialized service to contract groups.

I have discontinued taking Prudential calls, and shall henceforth conduct myself in conformity to the Principles of Medical ethics.

Sincerely,

(Signed) W. C. REINER M.D.
W. C. Reiner M.D.

WCR:EB

Plaintiff's Exhibit 1966

9130 May 20, 1938

Dr. John G. Cheetham
Medical Arts Building
Portland, Oregon

Dear Dr. Cheetham:

Some time ago you were asked to attend a conciliatory meeting of the Board of Censors of the Multnomah County Medical Society, to discuss certain features of your connection with the contract practice of medicine.

The Board of Censors believes that such conciliatory meetings accomplish a great deal, notably in securing the opinion of the members of our Society in their relationship to contract practice.

At this meeting, you indicated that you were at least considering withdrawing from any connection with unethical contract practice. We have heard nothing further from you concerning any decision you might have made.

The Board of Censors will hold another conciliatory meeting on Friday, May 27th 1938, at 7:30 o'clock P.M. in the auditorium of the Medical-Dental Building.

Will you please be present at this meeting, and be prepared to express a definite decision as to your future relationship with contract practice? The Board considers it of the utmost importance that you be prepared to express a definite decision as to this matter.

Very truly yours,

MULTNOMAH COUNTY MEDICAL SOCIETY

by .....

Chairman, Board of Censors

9131

JOHN G. CHEETHAM
THOMAS J. ROEMER

PHYSICIANS AND SURGEONS

MEDICAL ARTS BUILDING
PORTLAND, OREGON

UROLOGY

May 23, 1938.

Board of Censors,
Multnomah County Medical Society,
Portland, Oregon.

Gentlemen:

It is our decision for the present and for the future to sever relationship with any contract practice which fails to meet the requirements of the Board of Censors of the Multnomah County Medical Society.

We feel morally obligated to continue the care of a few cases accepted before May 4, 1938, at which time our decision was made, but we have not, since that time, nor do we anticipate accepting new cases from any contract association which does not fulfil the requirements of the Board.

In accordance with a telephone conversation with the Chairman of your Board, this letter will take the place of a personal appearance before such Board on Friday, May 27, 1938.

Very truly yours,

(Signed) JOHN CHEETHAM

JGC:JD

9132

June 3, 1938

Dr. John G. Cheetham
Medical Arts Building
Portland, Oregon

Dear Dr. Cheetham:

The Board of Censors received your letter dated May 23, 1938, stating that "we" will continue the care of the few cases accepted from contract organizations before May 4th, but that you do not anticipate accepting new cases from any contract association which does not fulfill the requirements of the Board.

The Board assumes that by "we" you mean yourself and Dr. Thomas J. Roemer, and that from this time forward you intend to sever relations with all unethical contract practice.

Thank you very much for your letter and your cooperation.

Very truly yours,

MULTNOMAH COUNTY MEDICAL SOCIETY

by .....

Chairman, Board of Censors

Plaintiff's Exhibit 1967

9133 MULTNOMAH COUNTY MEDICAL SOCIETY

PORTLAND, OREGON

OFFICE OF THE SECRETARY

NOTICE OF SPECIAL MEETING OF THE COUNCIL

A special meeting of the Council will be held on Tuesday, December 15, 1936, at 8:00 P.M., in the Italian Room of the Campbell Court Hotel, S. W. 11th Avenue and Main Street.

The matters to be considered at this meeting are:

(1) Reports of committees.

(2) Proposed amendment to the By-Laws which was read at the meeting on December 7, 1936.

(3) Recommendations of the Board of Censors concerning the formal charges filed against Drs. H. R. Shields, William F. Beck, and C. C. Moore.

Kindly make a special effort to be present at this meeting.

BANNER R. BROOKE
President
JOHN C. ADAMS
Secretary

9134 MULTNOMAH COUNTY MEDICAL SOCIETY

PORTLAND, OREGON

OFFICE OF THE SECRETARY

September 9, 1936

NOTICE OF SPECIAL MEETING OF THE COUNCIL

There will be a special meeting of the Council in the auditorium of the Medical-Dental Building on Wednesday, September 16, 1936 at 7:30 o'clock P.M.

The matters to be considered at this meeting are the formal charges filed against Dr. John R. Steagall and Dr. A. H. Johnston in regard to the contract practice of the Prudential Hospital Association and their association therewith and the recommendations of the Board of Censors concerning these charges.

Kindly make a special effort to be present at this meeting.

BANNER R. BROOKE
President
JOHN C. ADAMS
Secretary

9135 MULTNOMAH COUNTY MEDICAL SOCIETY

PORTLAND, OREGON

OFFICE OF THE SECRETARY

December 4, 1936

NOTICE OF SPECIAL MEETING OF THE COUNCIL

There will be a special meeting of the Council in the auditorium of the Medical-Dental Building on Monday, December 7, 1936 at 7:30 o'clock P.M. This meeting will be a continuance of the meeting of November 30, 1936.

The matters to be considered at this meeting are the formal charges filed against Drs. C. G. Sabin, T. Tharaldsen, J. D. Leonard, and George R. Suckow in regard to the contract practice of the National Hospital Association and

their association therewith and the recommendations of the Board of Censors concerning these charges.

Kindly make a special effort to be present at this meeting.

BANNER R. BROOKE
President
JOHN C. ADAMS
Secretary

9136 MULTNOMAH COUNTY MEDICAL SOCIETY

PORTLAND, OREGON

OFFICE OF THE SECRETARY

November 24, 1936

NOTICE OF SPECIAL MEETING OF THE COUNCIL

There will be a special meeting of the Council in the auditorium of the Medical-Dental Building on Monday, November 30, 1936 at 7:30 o'clock P.M.

The matters to be considered at this meeting are the formal charges filed against Drs. C. G. Sabin, T. Tharaldsen, J. D. Leonard, and George R. Suckow in regard to the contract practice of the National Hospital Association and their association therewith and the recommendations of the Board of Censors concerning these charges.

Kindly make a special effort to be present at this meeting.

BANNER R. BROOKE
President
JOHN C. ADAMS
Secretary

9137 MULTNOMAH COUNTY MEDICAL SOCIETY

PORTLAND, OREGON

OFFICE OF THE SECRETARY

July 23, 1937

NOTICE OF SPECIAL MEETING OF THE COUNCIL

There will be a special meeting of the Council in the auditorium of the Medical-Dental Building on Friday, July 30, 1937 at 7:30 o'clock P.M.

The matters to be considered at this meeting are as follows:

1. The formal charges filed against Drs. J. A. Applewhite, Leland V. Belknap, O. J. Goffin, and Samuel H. Wise in regard to the contract practice of the National Hospital Association and their association therewith and the recommendations of the Board of Censors concerning these charges.
2. The formal charges filed against Dr. Paul E. Spangler in regard to the contract practice of the Pumphrey Company and his association therewith and the recommendations of the Board of Censors concerning these charges.

Kindly make a special effort to be present at this meeting.

ROBERT L. BENSON
President
HOWARD P. LEWIS
Secretary

Plaintiff's Exhibit 1968

9138 OREGON STATE MEDICAL SOCIETY

MEDICAL-DENTAL BUILDING
PORTLAND, OREGON

The enclosed report and resolution relating to the enforcement of the Principles of Medical Ethics was adopted by the Council at its June meeting.

Please bring this action to the attention of the members of your society.

Very sincerely yours,

OREGON STATE MEDICAL SOCIETY

by .....
Secretary

9139 Oregon State Medical Society

THE ENFORCEMENT OF THE PRINCIPLES OF MEDICAL ETHICS BY THE COUNCIL

Adopted by the Council on June 26, 1937

At a special meeting of the Central Willamette Medical Society held at Albany on June 17, 1937, representatives of the Council of the Oregon State Medical Society were present on invitation to discuss the ethics of contract practice. At this meeting, Dr. William T. Johnson of Corvallis, Past-President of the Oregon State Medical Society, and E. D. Furrer, Secretary of the Lane County Medical Society, strongly expressed the view that the Council of the Oregon State Medical Society should take the initiative in dealing with members of the component societies who are alleged to be engaged in unethical contract practice. These men pointed out that the problems of unethical contract practice are state wide in character and that it is extremely difficult for the local medical societies to deal satisfactorily with these problems.

Ordinarily under present By-Laws of the component medical societies and the Oregon State Medical Society, procedure to correct an unethical practice must be instituted in the component medical society, the function of the Council of the Oregon State Medical Society being to consider appeals from decisions of the component medical societies. Nevertheless, the By-Laws of the Oregon State Medical Society clearly indicate that the Council may take original jurisdiction in unethical situations which are brought to its attention. This authority is granted to the Council in the following provisions of the By-Laws.

Chapter VII. The Council

Section 2 .....

..... The Council shall be the Board of Censors

of the Society. It shall consider all questions involving the rights and standing of members, whether in relation to other members, to the component societies or to this Society .....

Chapter XII. County and District Societies

Section 3 ..... The Council of the State Society shall have final authority to expel a member should a component county or district society fail to do so after being so requested by the Council.

The view expressed at the meeting of the Central Willamette Medical Society referred to above would appear to make it desirable that the Council undertake to exercise this authority on request of the component medical societies or in other appropriate instances. Inasmuch as the Council acts in a judicial capacity, it will be necessary to create a Grievance Committee to investigate unethical practices, make reports, and when necessary, file charges and present them to the Council for consideration.

9140 The following resolution is presented to cover the situation:

WHEREAS, it has been brought to the attention of the Council that various instances of unethical practice within the state transcend the boundaries of any particular component medical society and are such that they cannot be efficiently handled by the component medical societies; and

WHEREAS, the efforts of certain component medical societies to deal with unethical practice have been largely nullified by the inaction of neighboring component medical societies; and

WHEREAS, under the Constitution and By-Laws, it is the duty of the Council to deal with unethical practice when a component medical society fails to act;

THEREFORE BE IT RESOLVED by the Council that it proceed to deal with these problems of unethical practice in instances in which the Council deems such action proper; and

BE IT FURTHER RESOLVED, inasmuch as the Council is a judicial body and some machinery is necessary to present charges to the Council; that

1. A special committee, called the Grievance Committee, be, and the same is hereby created.

2. The Grievance Committee shall consist of three members to be appointed from time to time by the President of the Society.

3. The functions and duties of the committee be as follows:

(a) Investigate any alleged unethical conduct of any member of the Society coming to its attention in any way, or through any source;

(b) Determine whether or not there is any foundation to the accusation of any such member of unethical conduct;

(c) Make such reports to the Council on the result of such investigation as may be deemed best by such committee;

(d) Make and file any written charges against any member of this Society, when the committee deems such a course advisable and justified.

(e) Pursue any other course of conduct under the Constitution and By-Laws of this society as it may deem advisable to the end that any report of unethical conduct on the part of any member be completely investigated and its truth or falsity established.

9141 4. The committee is hereby given the authority to employ such assistance as it may deem necessary for the full performance of its duties, to be paid for by the Society, but not to exceed the sum of $500.00, except upon the added authorization of the Council.

Upon motion duly made and seconded, the resolution contained in this report was adopted.

Plaintiff's Exhibit 1969

9142 HOBART DEAN BELKNAP

PHYSICIAN AND SURGEON

MEDICAL DENTAL BUILDING
PORTLAND, OREGON

March 16, 1940

Multnomah County Medical Society
Medical Dental Bldg.,
Portland, Oregon

Gentlemen: Attention: Dr. Charles E. Sears

Replying to your letter of March 7, 1940, regarding "Type of unethical conduct discussed by Board of Censors and myself on May 27, 1938."

As I recall I stated I would discontinue referred work from any Bureau if and when they were all discontinued, or at such time a difference could be demonstrated between these Bureaus that would be satisfactory to me.

Your letter of March 7th is rather vague since you fail to specify the unethical conduct mentioned in this letter, and since I do unsolicited referred work from several Organizations or Bureaus I would appreciate knowing which of these Organizations offends and which do not.

For the reason stated above I would appreciate a specific citation of "unethical conduct" in order that I may more definately evaluate your letter and give you an intelligent reply.

Respectfully yours,

(Signed) HOBART D. BELKNAP MD

9143 May 7, 1938

Dr. Hobart Belknap
Medical-Dental Building
Portland, Oregon

Dear Dr. Belknap:

Some time ago you were asked to attend a conciliatory meeting of the Board of Censors of the Multnomah County Medical Society, to discuss certain features of your connection with the contract practice of medicine.

The Board of Censors believes that such conciliatory meetings accomplish a great deal, notably in securing the opinion of the members of our Society on their relationship to contract practice.

At this meeting, you indicated that you were at least considering withdrawing from any connection with unethical contract practice. We have heard nothing further from you concerning any decision you might have made.

The Board of Censors will hold another conciliatory meeting on Friday, May 13th, 1938 at 8:05 P.M. in the auditorium of the Medical-Dental Building.

Will you please be present at this meeting, and be prepared to express a definite decision as to your future relationship with contract practice? The Board considers it of the utmost importance that you be prepared to express a definite decision as to this matter.

Very truly yours,

MULTNOMAH COUNTY MEDICAL SOCIETY

by .....
Chairman, Board of Censors

9144 MULTNOMAH COUNTY MEDICAL SOCIETY

PORTLAND, OREGON

OFFICE OF THE SECRETARY

May 9, 1940

Dr. Charles E. Sears, Chairman
Board of Censors
Medical Arts Building
Portland, Oregon

Dear Dr. Sears:

In accordance with the provisions of Section 7 of Chapter I of the by-laws of the Society, we are enclosing a copy of certain charges of unethical conduct which have been filed against Dr. Hobart D. Belknap.

Very truly yours,

MULTNOMAH COUNTY MEDICAL SOCIETY

by (Signed) CHARLES P. WILSON.
Secretary

9145 HOBART DEAN BELKNAP

PHYSICIAN AND SURGEON

MEDICAL DENTAL BUILDING
PORTLAND, OREGON

June 25, 1940

Grievance Committee
Multnomah County Medical Society
Medical-Dental Building
Portland, Oregon

Gentlemen:

As per our conversation of two weeks ago this letter will act as reply to the charges filed against me.

It is not my intention to resign from the Medical Soceity, nor is it my intention to follow so called, "Unethical Conduct". For this reason I will discontinue my work for the National Hospital Association as such, on or before September 1, 1940. The reason I set this date is because it will take at least sixty days to clear up the obligations that now exist between myself and the National and to complete the cases now under my care. I sincerely hope this is satisfactory to the committee.

In return I respectfully request and expect; For I am bewildered;

First: Will you clarify for me the term; "Solicitation of Patients". I am positive the Multnomah has canvassers or agents who by word of mouth and the aid of pamphlets distributed among the men are extolling the virtues of Multnomah. Now this may not be "Solicitation", however, Webster's Dictionary says "IT Is".

Second: Is commission work such as X-Ray men do for Association members in a Hospital and out patients; Virtuous; While those who work for a fee from the National or like organization practicing Infidelity?

Again may I remind you of the cheapness and the smallness of an organization that would request the removal of an individual from a non-paying position such as I held with the Howe Laboratory, simply because I was not one of the Anointed Ones?

Being a Urologist—My training in examining "Urine" has been quite extensive and altho different vessels may

vary slightly in smell the odor is characteristic. Only the Rose has the distinction; "That by any other name would smell as sweet". You gentlemen are not defending a Rose.

Yours truly,

(Signed) HOBART D. BELKNAP
Hobart D. Belknap M. D.

Plaintiff's Exhibit 1970

9146 June 13, 1940

Dr. C. E. Brous
Linnton, Oregon

Dear Dr. Brous:

The Board of Censors of the Multnomah County Medical Society has received information which indicates that the medical practice engaged in by you in connection with certain hospital associations violates the Principles of Medical Ethics of the American Medical Association.

The Board of Censors feels that an investigation of this matter should be made for the good of all concerned.

The Board hereby invites you to an informal conciliatory meeting to discuss this matter. The meeting will be held in the auditorium of the Medical-Dental Building, at 9:00 P.M., on Tuesday, June 18, 1940.

No formal charges have been filed against you. This meeting is called pursuant to the by-laws of the Multnomah County Medical Society which read, in part, as follows:

> "The Board of Censors shall make a preliminary examination into the merits of any case, and make kindly efforts in the interest of peace, conciliation, and reformation. . ."

Will you kindly arrange to be present at this meeting?

Very truly yours,

MULTNOMAH COUNTY MEDICAL SOCIETY

by .....
Chairman, Board of Censors

Plaintiff's Exhibit 1971

9147 April 23, 1938

Dr. J. Ettelson
Medical-Dental Building
Portland, Oregon

Dear Dr. Ettelson:

Some time ago you were asked to attend a conciliatory meeting of the Board of Censors of the Multnomah County Medical Society to discuss certain features of your connection with the contract practice of medicine.

The Board of Censors believes that such conciliatory meetings accomplish a great deal, notably in securing the opinion of the members of our Society on their relationship to contract practice.

At this meeting, you indicated that you were at least considering withdrawing from any connection with unethical contract practice. We have heard nothing further from you concerning any decision you might have made.

The Board of Censors will hold another conciliatory meeting on April 29th, 1938 at 9:00 P.M. in the auditorium of the Medical-Dental Building.

Will you please be present at this meeting, and be prepared to discuss a definite decision as to your future relationship with contract practice. The Board considers it of the utmost importance that you be prepared to express a definite decision as to this matter.

Very truly yours,

MULTNOMAH COUNTY MEDICAL SOCIETY

by .....
Chairman, Board of Censors

9148

DR. J. ETTELSON
SUITE 405 MEDICAL DENTAL BUILDING
ELEVENTH AVE. AND TAYLOR ST.
PORTLAND, OREGON

June 11, 1940

Multnomah County Medical Society
Medical Dental Building
Portland, Oregon

Gentlemen:

This is to inform you that I am not now giving nor have I given my services to the National Hospital Association for the past two months.

Yours very truly,

(Signed) DR J ETTELSON
Dr. J. Ettelson.

JE:BB

Plaintiff's Exhibit 1972

9149

June 28, 1938

Dr. Alfred H. Illge
Medical Arts Building
Portland, Oregon

Dear Dr. Illge:

At the meeting of the Board of Censors on April 29, 1938, you intimated that you were seriously considering stopping work for hospital associations whose practice was deemed unethical.

We have had no further word from you, however, and do not know whether you have come to a definite decision to that effect.

The Board will hold a meeting in the very near future to give further consideration to this matter. For this reason, the Board requests that you reach a definite decision as to your future course of conduct with relation to contract practice and that you report this decision to the Board by July 8, 1938.

Very truly yours,

MULTNOMAH COUNTY MEDICAL SOCIETY

by .....